CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2017

Prepared By:

Accounting Division

Director of Finance – Denise Tacke
Controller – Allison Friloux

Tyler Anderson
Natalie Chavez
Charline Grant
Debbie Hartwell
Theresa King
Ebony Lusk
Katherine McGuire
Brandon Potemra
Sheri Stephens
Crystal Swiere
Valerie Tidwell
Leeia Wiggins

Plano
City of Excellence

CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
TABLE OF CONTENTS

		Page
I.	**INTRODUCTORY SECTION (UNAUDITED)**	
	Letter of Transmittal	iii
	Certificate of Achievement	xiii
	Organizational Chart	xiv
	Elected Officials and Administrative Officers	xv
	The City of Plano, Texas and Surrounding Areas Map	xvi
II.	**FINANCIAL SECTION**	
	Independent Auditors' Report	1
	A. MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
	B. BASIC FINANCIAL STATEMENTS	
	Government-Wide Financial Statements	
	Statement of Net Position	17
	Statement of Activities	18
	Fund Financial Statements	
	Governmental Fund Financial Statements	
	Balance Sheet	20
	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	22
	Statement of Revenues, Expenditures and Changes in Fund Balances	23
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
	Proprietary Fund Financial Statements	
	Statement of Net Position	26
	Reconciliation of the Statement of Net Position of Proprietary Funds to the Government-Wide Statement of Net Position	28
	Statement of Revenues, Expenses and Changes in Fund Net Position	29
	Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position of Proprietary Funds to the Statement of Activities	30
	Statement of Cash Flows	31
	Fiduciary Fund Financial Statements	
	Statement of Fiduciary Net Position	33
	Statement of Changes in Fiduciary Net Position	34
	Notes to Basic Financial Statements	35
	C. REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
	General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual	76
	Adjustments to Revenues, Expenditures and Other Financing Uses from GAAP Basis to Budgetary Basis	77
	Schedule of OPEB Trust – Postemployment Benefits 115 Trust Funding Progress and Contributions	78
	Schedule of Changes in Net Pension Liability and Related Ratios - TMRS	79
	Schedule of Contributions – TMRS	80
	Notes to Schedule of Contributions – TMRS	80
	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – RSP	81
	Schedule of Contributions – RSP	82
	Notes to Schedule of Contributions – RSP	82

Page

D. COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds
Combining Balance Sheet 85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 88

Budgetary Comparison Schedule – Debt Service Fund (unaudited) 91

Nonmajor Enterprise Funds
Combining Statement of Net Position 93
Combining Statement of Revenues, Expenses and Changes in Fund Net Position 94
Combining Statement of Cash Flows 95

Internal Service Funds
Combining Statement of Net Position 98
Combining Statement of Revenues, Expenses and Changes in Fund Net Position 100
Combining Statement of Cash Flows 102

Fiduciary Funds
Combining Statement of Pension and Other Postemployment Benefits Trust Funds Net Position 107
Combining Statement of Changes in Pension and Other Postemeployment Benefits Trust Funds Net Position 108
Combining Statement of Agency Funds Assets and Liabilities 109
Combining Statement of Changes in Agency Funds Assets and Liabilities 110

Discretely Presented Component Unit
Statement of Net Position 112
Statement of Revenues, Expenses and Changes in Net Position 113
Statement of Cash Flows 114

III. STATISTICAL SECTION (UNAUDITED)

Statistical Section Table of Contents 116
Net Position – Table 1 117
Changes in Net Position – Table 2 118
Fund Balances, Governmental Funds – Table 3 120
Changes in Fund Balances, Governmental Funds – Table 4 121
Assessed Value and Estimated Actual Value of Taxable Property – Table 5 123
Property Tax Rates/Assessment Ratios – All Direct and Overlapping Governments – Table 6 124
Principal Taxpayers – Table 7 125
Property Tax Levies and Collections – Table 8 126
Ratio of Outstanding Debt by Type – Table 9 127
Ratio of General Bonded Debt Outstanding – Table 10 128
Computation of Direct and Overlapping Debt – Table 11 129
Computation of Legal Debt Margin – Table 12 130
Schedule of Revenue Bond Coverage – Water and Sewer Bonds – Table 13 131
Schedule of Revenue Bond Coverage – Municipal Drainage Bonds – Table 14 132
Demographic and Economic Statistics – Table 15 133
Principal Employers – Table 16 134
Full-Time Equivalent City Government Employees by Function – Table 17 135
Operating Indicators by Function/Program – Table 18 136
Capital Asset Statistics by Function/Program – Table 19 138

Plano
City of Excellence

Plano
City of Excellence

Plano
City of Excellence

City of Plano
1520 K Avenue
Plano, TX 75074

P.O. Box 860358
Plano, TX 75086-0358
Tel: 972.941.7000
plano.gov

January 3, 2018

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2017, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

Weaver and Tidwell, L.L.P. has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2017. The independent auditors' report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined, in addition to three blended component units as discussed in the accompanying footnotes), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Harry LaRosiliere, Mayor | Rick Grady, Mayor Pro Tem | Ron Kelley, Deputy Mayor Pro Tem | Angela Miner, Place 1 | Anthony Ricciardelli, Place 2 | Kayci Prince, Place 4 | Tom Harrison, Place 7 | Rick Smith, Place 8 | Bruce D. Glasscock, City Manager

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2015, Plano's population grew an estimated 2.0% to 279,100 in 2017. According to residential development projections by the City's planning department, it is projected to grow to 292,100 by 2027 and to 300,000 by 2037.

According to the *U.S. Census Bureau*, the median household income of Plano is $83,793.

Plano is ranked #1 for Best Places to Live according to *Area Vibes*. Cities were ranked based upon amenities, cost of living, crime, education, employment, housing and weather.

WalletHub ranks Plano 19th in their "2017's Happiest Places to Live". According to *WalletHub,* their data team drew upon the various findings of positive-psychology research in order to determine which among 150 of the largest U.S. cities is home to the happiest people in America. More than 100 cities with a population of 200,000 or more were considered in the study.

SmartAsset ranks Plano the 8th best city to sell a house in 2017. According to *SmartAsset*, "With it's low price-to-rent ratio, Plano is one of the best cities to buy a home."

Livability names Plano as the #4 Best Place in America to Retire. Due to Plano's location in the metroplex, facilities available, as well as health institutions, Plano residents enjoy the amenities while living in a more relaxed environment.

Three neighborhoods from Plano made The *Dallas Morning News'* list "2016 Best Neighborhoods". The characteristics used to score were based on safety, affordability, schools, surrounding ammenties and a variety of other qualifications.

SmartAsset's ranks Plano the 7th Best City for 2016. According to *SmartAsset's*, "Plano, Texas is definitely a city more people should be paying attention to. We ranked it as one of the most undervalued cities in the country and one of the most livable cities. Also, Plano is an excellent place for workers. Its unemployment rate is below 6% according to the U.S. Census Bureau, and we ranked it as one of the hardest-working cities."

Keep America Beautiful presented the City of Plano with its President's Circle Award recognition.

WalletHub ranks Plano the 2nd best city for Jobs in America and 2nd for Most Affordable Housing.

WalletHub ranks Plano in the top 100 Greenest Cities in America based upon 22 metrics such as green space, commuting options, energy sources and environmentally friendly lifestyle.

GoodCall.com ranks Plano #2 in "2017 Safest Cities to Raise a Family". According to *GoodCall.com*, Plano has the second-lowest rate of criminal activity per 1,000 residents among the nation's largest cities.

WalletHub ranks Plano as the 3rd Best Place to Raise a Family, comparing the 150 most populated U.S. cities across five key dimensions: family fun; health and safety; education and child care; affordability; and socio-economics.

Plano remains one of only a few cities in the United States receiving an "AAA" bond rating, the highest possible bond rating from Moody's Investor Services, Standard & Poor's and Fitch IBCA. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. Tax collections totaled $161.6 million for fiscal year 2017, an increase of 6.0% from the prior year. According to the Collin County Appraisal District, Plano property appraisals increased 9.8% for 2017 on property tax estimates.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base which includes, numerous retail stores facilities, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of other specialty shops and major retailers.

Sales tax allocations to the City totaled $81.5 million from October 2016 through September 2017, an increase of 6.8% compared to fiscal year 2016.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation, and utilities; professional and business services; government; and financial activities. According to the U.S. Census Bureau, 54.9% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano for fiscal year 2017 was 3.2% compared to 3.7% in 2016.

Plano's large businesses, employing 1000+, include: Bank of America Home Loans, Capital One Finance, Cigna, Dr. Pepper, Snapple Group, Ericsson, FedEx Office, Frito-Lay, Hewlett Packard Enterprise, Intel Security, J.C. Penney, Liberty Mutual Insurance Co., Medical Center of Plano, Nokia, NTT DATA, PepsiCo, Texas Health Presbyterian Hospital, Plano Toyota Motor North America, and Dell Services. Employing 500-999, companies having significant operations in Plano include: AT&T, Baylor Scott & White Medical Center – Plano, Children's Health Plano, CROSSMARK, CVE Technologies Group, Denbury Resources, Intuit, NetScout, nThrive, Pizza Hut, U.S. Raytheon, Rent-A-Center, St. Jude Medical Neuromodulation Division, The Heart Hospital Baylor Plano, Transamerica Premier Life Insurance, Tyler Technologies, and XO Communications. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2017, the following businesses announced relocation and expansion:

NTT DATA, Japan's largest IT services provider, expanded their portfolio with its $3.1 billion acquisition of Dell Services, a Plano-based company. In an effort to consolidate, NTT DATA announced the company would expand its footprint to two new locations. In June 2017, the company signed a lease with One Legacy West, located on 7950 Legacy Drive, and occupies over 150,000-square feet. In September, NTT DATA

signed an additional lease at The Campus at Legacy West, and will occupy 232,000 square-feet. Both locations will house over 3,700 employees.

Angel Cellular, a high-tech company that refurbishes and resells mobile phones and devices, purchased a building at Shiloh Commerce Center, located on 620 Shiloh Road. The 127,600 square-foot building will house a consolidation of operations which includes Angel Hospitality, an affiliated hotel management company. The company plans on moving into the new building before the end of 2017 and will have 85 employees.

Altice USA, a France-based subsidiary in the telecommunications, media and entertainment industry, announced plans to expand its office presence and move to Granite Park. Altice will occupy nearly 80,000 square-feet in Granite Park V, located on 5830 Granite Parkway. With plans to employ 400, the new location will include a variety of positions including payroll, IT, management, software development and programming, and data analysis. Altice USA provides video and broadband services to 4.9 million business and residential customers across 21 states. The company moved into Granite Park in the third quarter of 2017.

SOLiD Gear, a South Korea-based wireless network equipment solutions provider, relocated its North American headquarters from the Silicon Valley to a 45,000 square-foot facility at 800 Klein Road. The tech company provides cellular connectivity solutions for high-density areas and recently completed work at Toyota's new headquarters in Plano. SOLiD Gear's facility, which will house 49 employees, will include a product research and development lab, engineering and dedicated training resources and facilities. The company held their grand opening and open house in August 2017.

BroadSoft, a communications and software firm, relocated its North Texas regional office to the new Platinum Park building, located on 6000 Tennyson Parkway. The Maryland-based company is the first tenant in the building and will occupy 35,000 square-feet in November 2017. Founded in 1998, BroadSoft is an industry leader (49% market share) of cloud unified communication software and services.

Fogo de Chao, a Brazilian steakhouse chain, will move its headquarters and its 75 corporate employees to Plano's Legacy West development. Currently under construction, the new office will be located on Windrose Avenue. The 22,000 square-foot office space will include a Fogo de Chao restaurant and a 3,000 square-foot test kitchen. The company anticipates adding two to five employees per year, upon opening its doors in late 2017 or early 2018.

Toyota Connected, a data science hub and product development company, was launched by Toyota in 2016 to expand the company's capabilities in data management and data services development. The company is expanding and expects to double their employment headcount to 200 and has added an additional 13,000 square feet to their existing 20,000 square-foot office, located on 5905 Legacy Drive.

MIC Global Services, a holding company, and a division of New York-based Macquarie Infrastructure Corporation, moved their operations to Legacy Business Park, located on 5201 Tennyson Parkway in September. Leasing 31,000 square-feet, the new location will also house MIC's airport services business, Atlantic Aviation, an existing headquarters operation in Plano. The new shared services center will have 170 employees.

Tokio Marine North America, an insurance company, consolidated its operations into a single office location in Legacy Business Park, located on 5340 Legacy Drive. The consolidation included the relocation of Maguire Insurance, Tokio Marine Management and Tokio Marine Claims. The company moved in September 2017 and occupies 29,000 square-feet with a staff of 154.

LiquidAgents Healthcare, a healthcare staffing company, relocated its headquarters to 5810 Tennyson Parkway in January 2017. Recognized as one of Inc.'s 2017 Best Places to Work, the company has 85 employees and occupies 28,000 square-feet. The new location provides employees walkable amenities in Legacy and an open-space floor plan.

Pharmaceutical Strategies Group, a Plano-based pharmaceutical consulting firm, has moved to The Campus at Legacy, into 23,000 square-feet, at 5360 Legacy Drive. The company has been in Plano since 2008 and due to its growing employee base, the need arose to expand its office space to accommodate its 150 employees.

Boeing Global Services, the world's largest aerospace company, selected Plano to serve as the new headquarters for its Global Services division. The new division settled into a 15,000 square-foot office in the Legacy West development in June 2017. Boeing Global Services will focus on four key capability areas including Supply Chain, Engineering, Modifications and Maintenance, Digital Aviation and Analytics, and Training and Professional Services. The executive team, along with its support staff, will have a team of 50 employees that will serve about 20,000 employees globally.

L3 Technologies, an aerospace and defense technology firm, will call Plano home for its new regional headquarters office. Occupying 12,000 square-feet of office space, L3 will move into Granite Park located on 5800 Granite Parkway. With an initial headcount of 35 employees, the company expects to hire high-end systems engineers and move in by the end of December.

Long-Term Financial Planning

Long-term planning and reacting prudently to changing economic conditions remain key in maintaining the City's fiscal health. Economic forecasts for Plano and the North Texas region remain highly favorable; however, Plano faces a shrinking supply of undeveloped land and economic uncertainties at both the regional and national level, which remain factors taken into account when planning for the city's financial future. As Plano continues to shift from a Greenfield suburb to a regional economic center, it continues to utilize its Core Business Matrix to ensure expenditures align with the strategic plan and community goals set forth by the Plano City Council.

Across all of Plano's operating funds in fiscal year 2018 appropriations equal $550.2 million, an $18.1 million or 3.4% increase from the fiscal year 2017 re-estimated budget. Projected at $290.9 million, in fiscal year 2018 General Fund revenues are expected to increase $12.8 million from the fiscal year 2017 re-estimated budget, while fiscal year 2018 General Fund appropriations are set at $303.7 million, which is an increase of $5.5 million from the fiscal year 2017 re-estimated budget.

Resources have been diligently set aside on a pay-go basis for renovating, repairing and replacing existing infrastructure via the Capital Reserve Fund, which has been a highlighted factor in maintaining the City's AAA bond ratings. Capital Reserve funding for fiscal year 2018 will be primarily supported by transfers of $25.9 million from the General Fund, $1.5 million from the Water and Sewer Fund, $1.4 million from the Convention & Tourism Fund and $500 thousand from the Municipal Drainage Fund.

The City of Plano will begin utilizing bond authority approved by voters in May 2017 in the fiscal year 2018 Community Investment Program. Of the $137.3 million budgeted for General Obligation capital expenditures in fiscal year 2018, $33.2 million pertains to municipal facilities, $35.7 million for parks and recreation projects, $63.9 million for street improvements and $4.5 million for improvements to public infrastructure to support economic redevelopment.

Budgetary impacts are minimized by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life with the Equipment Replacement Fund. The fund collects regularly scheduled depreciation charges from city departments possessing vehicles and capital equipment, and then uses those funds for future purchases of new equipment on an as needed basis. In fiscal year 2018, the Equipment Replacement Fund's projected revenues total $13.8 million, with depreciation charges of over $9.0 million as the primary source of revenue. The fund is also expected to collect $509 thousand from the auction of City equipment and $175 thousand from interest earned on the fund's available balance.

The City has programed a General Obligation bond sale of $92.9 million, a Water & Sewer Revenue bond sale of $12.5 million and a Municipal Drainage Revenue bond sale of $4.2 million to support capital projects in fiscal year 2018. The General Obligation sale will fund the continued development of Plano's park system, numerous street improvements, design and construction of a Fire Training Center and new Police Substation and public infrastructure improvements. The Water & Sewer Revenue bond sale will fund the first phase of a citywide water meter replacement project that will reach half of Plano's water utility customers. Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for Plano's municipal drainage utility system.

On November 1, 2017 billing for water use was increased at various amounts depending on consumption volumes, ranging from 8.51% to 14% to help pay for a 10.0% increase in water related fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 164% since 2010. In a continuing effort to minimize the overall effect of the increase, the City of Plano hired a water and sewer rate consultant in order to plan both short-term and long-term water and sewer rates to ensure sustainability of the water and sewer utility fund. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to both residents and non-residents to offset the increases. Plano City Council deemed it necessary to raise water and sewer rates for both residential and non-residential customers by variable rates depending on volumetric usage.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Recognizing the value of internal control, an internal audit program has been in place since 1988. This program serves to enhance controls to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, require greater attention.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, and Director of Human Resources. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget Committee and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Financial Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to the City Council.

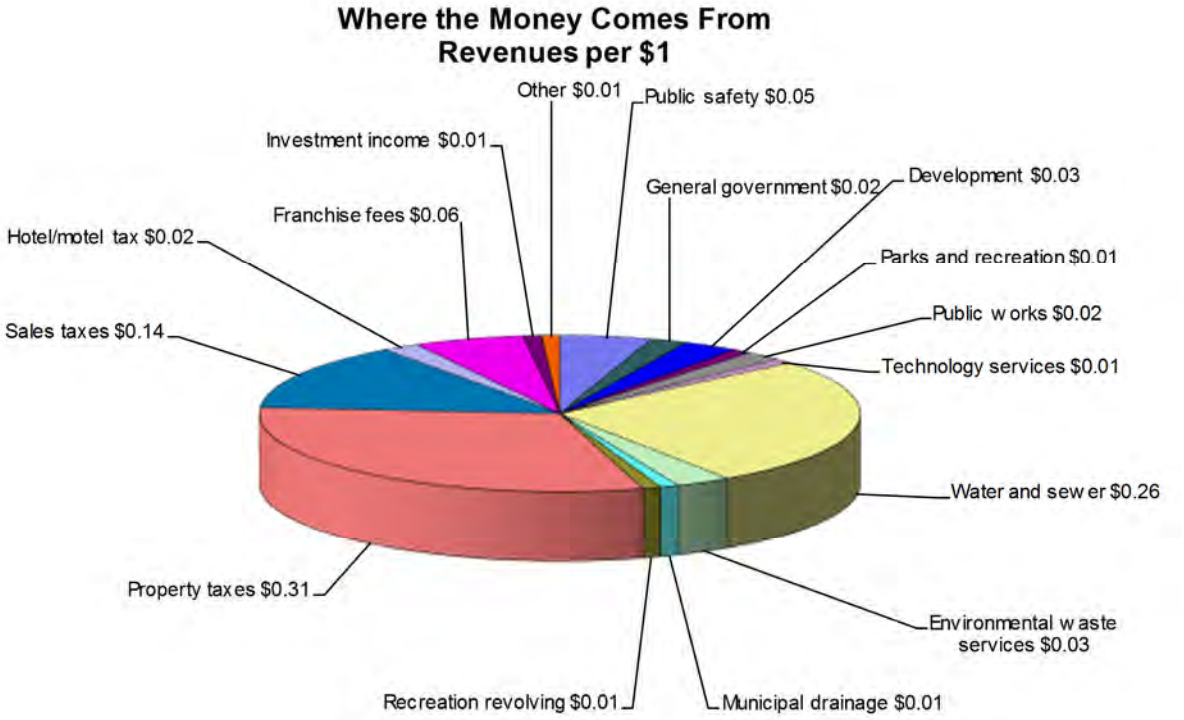
Major Initiatives

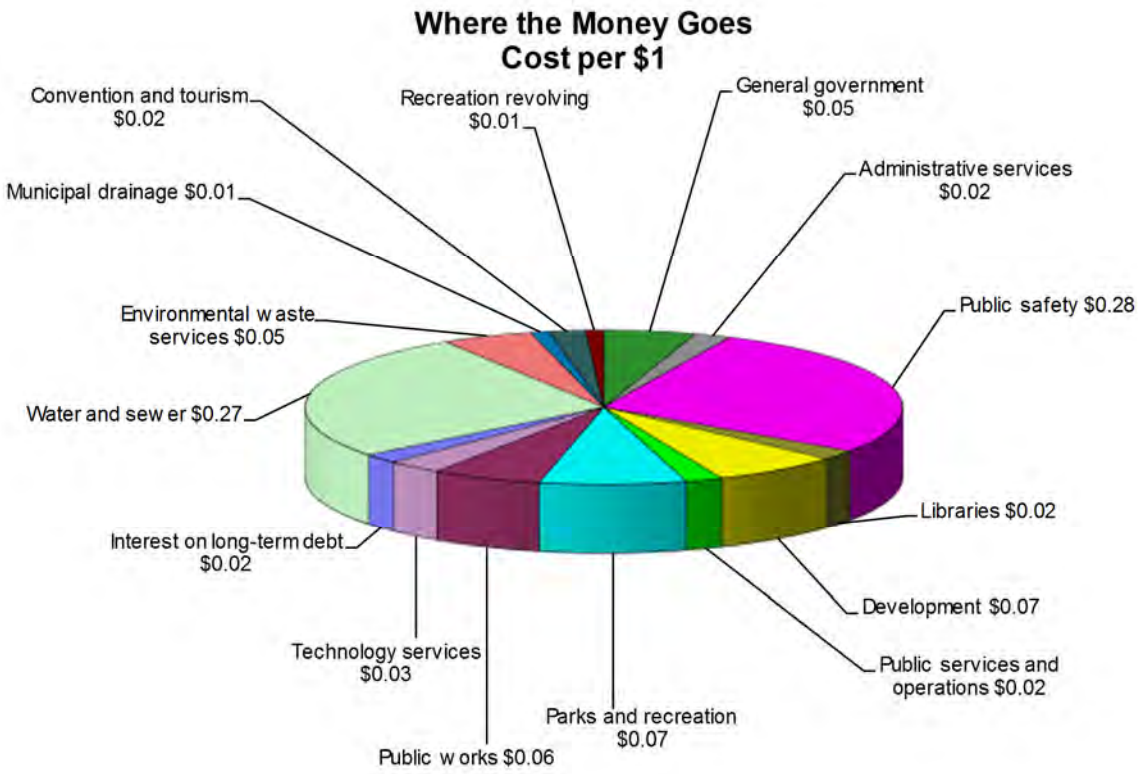
The fiscal year 2018 Community Investment Program (CIP) will continue to reflect the City’s commitment to enhancing and maintaining its infrastructure. Major facility projects from the fiscal year 2017 CIP included significant expansion of the Oak Point Recreation Center, construction of an indoor pool at Carpenter Recreation Center and significant reconfiguration at all five of Plano’s branch libraries to accommodate a new Radio Frequency Identification System for books and other library materials. Plano’s park system saw $19.2 million in expenditures to improve parks, connect trails and obtain land for future park development, with the largest expenditure being a parcel acquisition near the Legacy West development for a future park in northwest Plano. Numerous major street projects were undertaken in fiscal year 2017, with a total of $12.4 million spent to improve collector and residential streets, screening walls, intersections and sidewalks. Major sewer projects in fiscal year 2017 included construction of a lift station and force main to improve sanitary sewer capacity in northwest Plano, completion of the Brown Branch Sewer Line and near completion of the Rowlett Creek Cured In Place Pipe and White Rock Creek & Prairie Creek Sewer Main Rehabilitation project. These projects accounted for $19.2 million of the $24.0 million spent in fiscal year

2017 on sanitary sewer improvements. Water improvement projects totaled nearly $6.3 million, with the largest being the US 75 Water Line and repainting of the Parkwood Elevated Storage Tank. Finally, nearly $36.3 million was invested through the Capital Reserve Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the goal of extending the useful life of those assets.

Plano also budgeted more than $7.7 million for economic development incentives for fiscal year 2018 so that it remains competitive with surrounding neighboring cities. Fiscal year 2017 was the 11th year that two-cents from Plano's property tax rate was devoted for these incentives. The Economic Development Incentive fund is used to attract and retain major business and employees to the City.

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year-end 2017:





Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 36 consecutive years (fiscal years ended 1981-2016). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

Bruce D. Glasscock
CITY MANAGER

Denise Tacke, CPA
DIRECTOR OF FINANCE

Allison Friloux
CONTROLLER

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plano

Texas

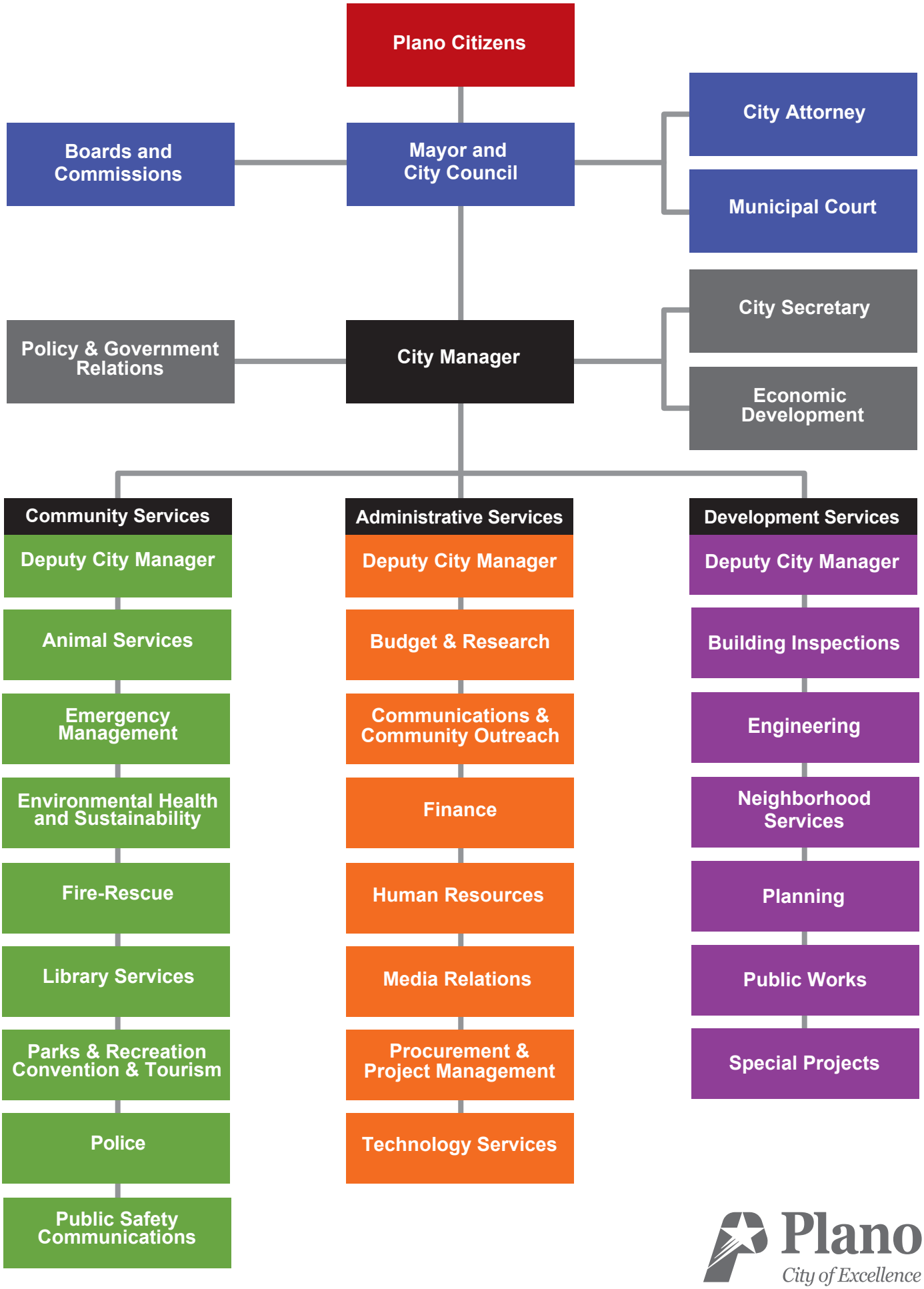
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO

CITY OF PLANO
ORGANIZATION CHART



Plano
City of Excellence

CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

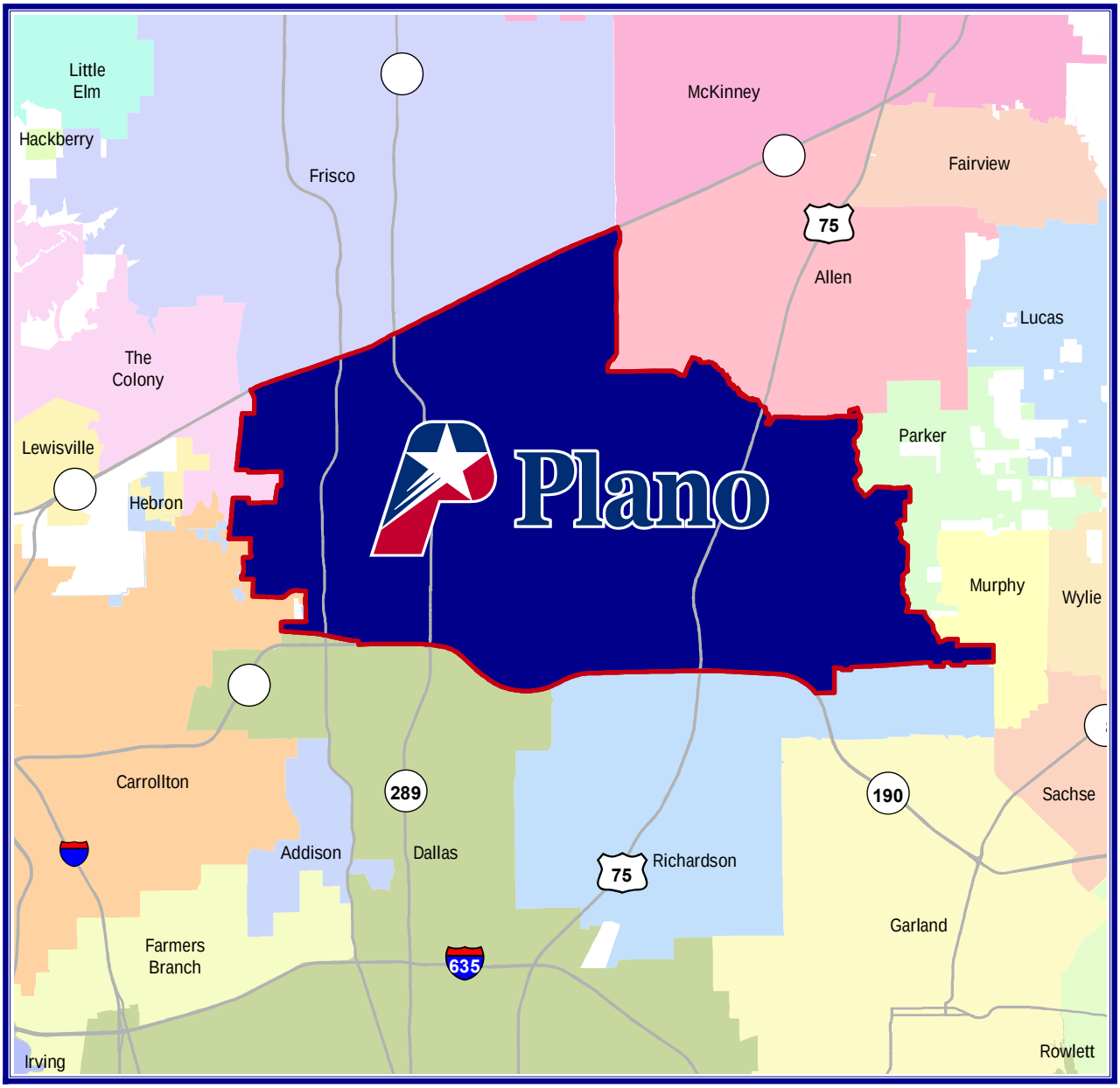
Elected Officials

City Council	Term Expires
Harry LaRosiliere Mayor Place 6	May 2021
Rick Grady Mayor Pro Tem Place 3	May 2019
Ron Kelley Deputy Mayor Pro Tem Place 5	May 2019
Angela Miner Place 1	May 2019
Anthony Ricciardelli Place 2	May 2021
Kayci Prince Place 4	May 2021
Tom Harrison Place 7	May 2019
Rick Smith Place 8	May 2021

Administrative Officers

Name	Position
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas



Plano
City of Excellence

Plano
City of Excellence

weaver
Assurance • Tax • Advisory

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
The City of Plano, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2018

Plano
City of Excellence

CITY OF PLANO, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $1.5 billion (net position). Of this amount, $1.2 billion (79.0 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is $65.9 million (4.5 percent). The remaining $245.1 million (16.5 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net position increased by $27.7 million. Property tax revenues are higher over prior year by $9.4 million as a result of higher assessed property values in the current year. For fiscal year 2018, the total appraised value will include an increase in new property coming on-line of $1.4 billion while existing property values are expected to increase by $3.3 billion. Sales tax revenues increased over prior year by $4.8 million where large gains are reported by the professional, scientific and technical services; retail trade; and wholesale trade environments. Hotel/Motel tax revenues are higher over prior year by $422 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by $3.3 million primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. General government charges for services increased over prior year by $3.4 million due to insurance receipts received as the result of a severe storm in fiscal year 2017.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $304.6 million, an increase of $14.4 million in comparison with the prior year. Within this total, $118.2 million (38.8 percent) is restricted by specific legal requirements and $143.1 million (47.0 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is $42.6 million (14.0 percent) and can be used for any lawful purpose. The remaining $630 thousand (0.2 percent) is nonspendable.

- The City's total debt increased by $34.9 million primarily because of a larger general obligation and refunding bond issuance, as well as tax anticipation notes issued in the current year related to technology projects throughout the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator

of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has three blended component units that are detailed in the accompanying footnotes.

- Business-type activities – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, environmental waste system, municipal drainage system, convention and tourism, municipal golf course, recreation revolving activities and downtown center development activities are reported as business-type activities.

- Component unit – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a

reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital reserve fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-25.

- **Proprietary funds**. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, environmental waste services, municipal drainage, convention and tourism, golf course, recreation revolving centers, and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation, as other Enterprise Funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

  The basic proprietary fund financial statements can be found on pages 26-32 of this report.

- **Fiduciary funds**. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The basic fiduciary fund financial statements can be found on pages 33 and 34 of this report.

- **Notes to the financial statements**. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

  The notes to the financial statements can be found on pages 35-75 of this report.

- **Other information**. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and health benefits to its employees and retirees.

  The required supplementary information can be found on pages 76-82 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, agency, and component unit funds can be found on pages 83-115 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was $1.5 billion as of September 30, 2017. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (79.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 422,668	$ 404,901	$ 124,142	$ 142,608	$ 546,810	$ 547,509
Capital assets	1,084,471	1,030,694	417,985	392,535	1,502,456	1,423,229
Total assets	1,507,139	1,435,595	542,127	535,143	2,049,266	1,970,738
Deferred outflows	73,775	80,645	8,114	9,140	81,889	89,785
Noncurrent liabilities	531,498	495,294	65,166	60,915	596,664	556,209
Other liabilities	30,403	29,760	19,606	16,408	50,009	46,168
Total liabilities	561,901	525,054	84,772	77,323	646,673	602,377
Deferred inflows	4,608	5,860	554	702	5,162	6,562
Net position:						
Invested in capital assets, net of related debt	790,688	749,830	377,622	374,463	1,168,310	1,124,293
Restricted	59,810	68,249	6,107	3,299	65,917	71,548
Unrestricted	163,907	167,247	81,186	88,496	245,093	255,743
Total net position	$ 1,014,405	$ 985,326	$ 464,915	$ 466,258	$ 1,479,320	$ 1,451,584

An additional portion of the City's net position (4.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

The City's net position increased by $27.7 million during the current fiscal year. Property tax revenues are higher over prior year by $9.4 million as a result of higher assessed property values in the current year and

new property coming on-line. For fiscal year 2018, the total appraised value will include an increase in new property coming on-line of $1.4 billion while existing property values are expected to increase by $3.3 billion. Sales tax revenues increased over prior year by $4.8 million. Hotel/Motel tax revenues are higher over prior year by $422 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by $3.3 million primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. This increase in revenue is offset by an increase in expense of $10.9 million due to increased contractual payments to North Texas Municipal Water District (NTMWD) as the result of a rate increase effective October 1, 2016. General government charges for services increased over prior year by $3.4 million due to insurance receipts received as the result of a severe storm in fiscal year 2017.

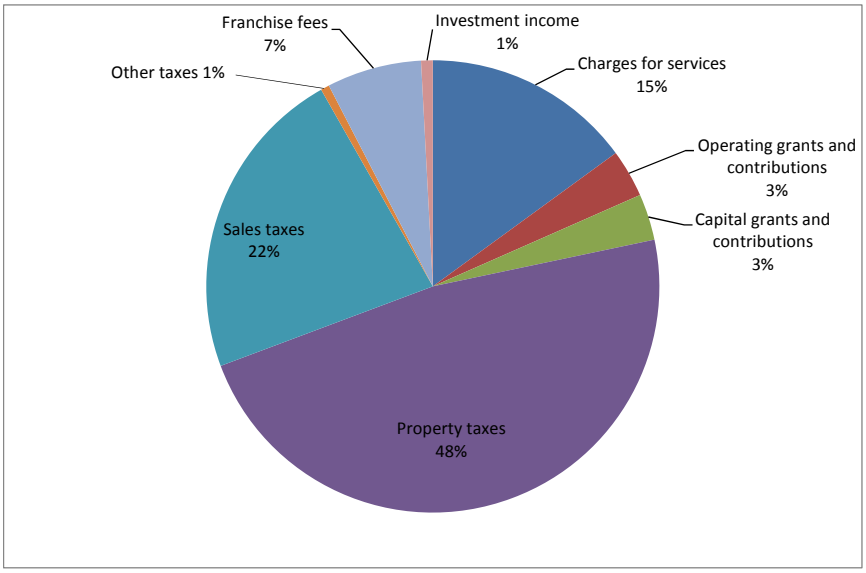
Governmental Activities

Governmental activities increased the City's net position by $29.1 million. Key elements of this increase are as follows (Table 2):

Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 54,350	$ 53,760	$ 176,157	$ 171,377	$ 230,507	$ 225,137
Operating grants and contributions	12,736	13,847	-	1	12,736	13,848
Capital grants and contributions	12,042	16,642	7,779	4,451	19,821	21,093
General revenues:						
Property taxes	173,005	163,620	-	-	173,005	163,620
Sales taxes	81,795	76,948	-	-	81,795	76,948
Other taxes	2,263	2,076	8,685	8,263	10,948	10,339
Franchise fees	24,553	24,665	8,754	8,500	33,307	33,165
Investment income	3,019	3,180	454	540	3,473	3,720
Total revenues	363,763	354,738	201,829	193,132	565,592	547,870
Expenses:						
General government	27,353	27,018	-	-	27,353	27,018
Administrative services	11,730	10,635	-	-	11,730	10,635
Police	88,408	80,837	-	-	88,408	80,837
Fire	63,105	56,725	-	-	63,105	56,725
Libraries	12,381	12,108	-	-	12,381	12,108
Development	38,018	36,860	-	-	38,018	36,860
Public services and operations	8,350	7,638	-	-	8,350	7,638
Parks and recreation	36,070	32,463	-	-	36,070	32,463
Public works	33,752	32,288	-	-	33,752	32,288
Technology services	18,193	18,524	-	-	18,193	18,524
Interest on long-term debt	10,897	10,309	-	-	10,897	10,309
Water and sewer	-	-	144,380	133,482	144,380	133,482
Environmental waste services	-	-	26,767	25,354	26,767	25,354
Municipal drainage	-	-	4,978	4,933	4,978	4,933
Convention and tourism	-	-	8,662	7,402	8,662	7,402
Municipal golf course	-	-	1,221	1,198	1,221	1,198
Recreation revolving	-	-	3,574	3,296	3,574	3,296
Downtown center development	-	-	17	14	17	14
Total expenses	348,257	325,405	189,599	175,679	537,856	501,084
Increase in net position before transfers	15,506	29,333	12,230	17,453	27,736	46,786
Transfers	13,573	12,121	(13,573)	(12,121)	-	-
Increase (decrease) in net position	29,079	41,454	(1,343)	5,332	27,736	46,786
Net position – October 1	985,326	943,872	466,258	460,926	1,451,584	1,404,798
Net position – September 30	$ 1,014,405	$ 985,326	$ 464,915	$ 466,258	$ 1,479,320	$ 1,451,584

Revenues by Source – Governmental Activities



Program revenues were $79.1 million, compared to $84.2 million in fiscal year 2016. The breakdown of the decrease is as follows:

- Charges for services for governmental activities increased $590 thousand. General government charges for services increased over prior year by $3.4 million due to insurance receipts received as the result of a severe storm in fiscal year 2017. This increase is offset by a decrease in development charges for services of $3.2 million due to several large-scale commercial projects occurring in the prior fiscal year.

- Operating grants and contributions decreased $1.1 million primarily due to relocation of signals and utilities in the prior year with contributions from Dallas Area Rapid Transit (DART).

- Capital grants decreased $4.6 million primarily due to decreased contributions from external agencies related to streets projects.

General revenues increased from $270.5 million in fiscal year 2016 to $284.6 million in fiscal year 2017. Property tax revenues increased by $9.4 million due to an increase in assessed valuations. For fiscal year 2018, the total appraised value will include an increase in new property coming on-line of $1.4 billion while existing property values are expected to increase by $3.3 billion.

Overall, governmental activities expenses were $348.3 million, an increase of $22.9 million over the prior year primarily as a result of land acquisition that will be used to accommodate a public safety and public works facility, in addition to increased salary expenditures and costs associated with onboarding of additional personnel primarily in the Public Safety departments.

Business-Type Activities

Revenues of the City's business-type activities were $201.8 million for the fiscal year ended September 30, 2017. Revenues increased approximately $8.7 million or 4.5 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased $13.9 million or 7.9 percent. The increase in net revenues is the result of several factors, including the following:

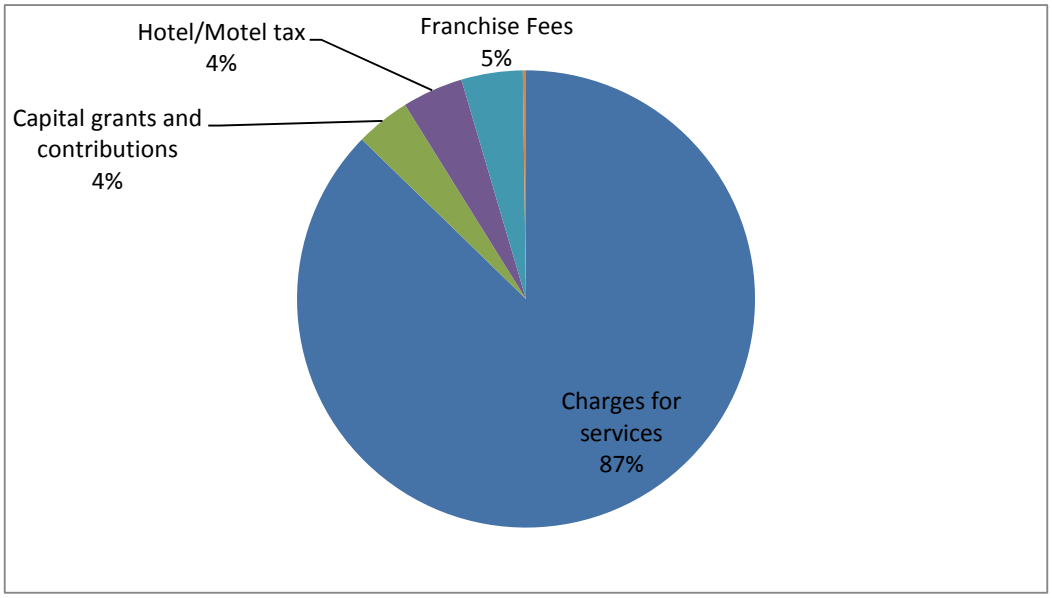
- The City's water and sewer system recorded charges for services of $144.0 million, an increase of $3.3 million or 2.3 percent from the prior year primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. The increase in revenue is offset by an increase in expense of $10.9 million due to increased contractual payments to North Texas Municipal Water District (NTMWD) as the result of a rate increase effective October 1, 2016.

- The City's environmental waste services activities operated with program expenses exceeding program revenues by $8.9 million compared to $9.1 million in fiscal year 2016. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased $495 thousand over the prior year. Payment is based on allocation of tonnage between member cities. Franchise fee revenue increased $254 thousand due to an increase in collection fees and disposal volumes.

- The City's municipal drainage activity operated with charges for services exceeding expenses by $2.6 million, compared to $2.4 million in the prior year. The municipal drainage system recorded charges for services of $7.5 million, which is comparable to the prior year as rates for residential billing have not changed since November 2014.

- The City's convention and tourism activity operated with expenses exceeding charges for services by $6.8 million as compared to $5.0 million in the prior fiscal year. Charges for services are reported at $1.9 million, a decrease of $559 thousand, due to fewer events booked because of renovations at the facility.

Revenues by Source – Business-Type Activities

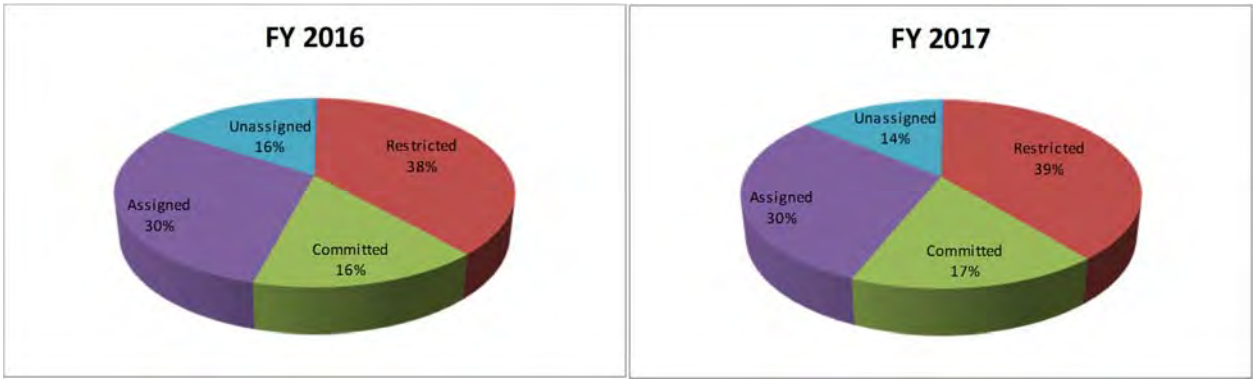


Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances (unassigned, assigned, and committed) may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $304.6 million. Within this total $118.2 million is restricted by specific legal requirements, such as by debt covenants, and $143.1 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is $42.6 million and can be used for any lawful purpose. The remaining $630 thousand is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City's general fund decreased by $2.6 million during the current fiscal year. Key factors in this decrease are as follows:

- Expenditures increased $16.0 million primarily due to a 3% across the board pay increase for non-civil and civil service employees, as well as the addition of new positions in the current fiscal year primarily in the Public Safety departments. Additionally, land was acquired that will be used to accommodate a public safety and public works facility.

- The increases to expenditures are offset by increased revenue primarily related to higher property tax revenues of $8.6 million as a result of increased property valuations.

The debt service fund has a total fund balance of $4.4 million, all of which is restricted for the payment of debt service. The debt service fund increased by $515 thousand primarily because of the City's refunding of general obligation debt.

The capital reserve fund balance of $46.0 million is assigned for replacement and renewals of the City's infrastructure. The capital reserve fund balance decreased $4.3 million from the prior year as the result of capital outlay expenditures of $36.3 million.

The street improvements fund has a total balance of $47.5 million, which has $33.1 million in restricted, $14.3 million in assigned, and $60 thousand in nonspendable fund balance. The street improvements fund balance increased $10.1 million primarily due to other financing sources related to debt issuance of $22.5 million exceeding revenues net of expenditures of $12.5 million.

The municipal facilities fund has a total balance of $24.7 million, which has $21.0 million in restricted and $3.8 million in assigned fund balance. The municipal facilities fund balance increased $15.0 million due to $17.3 million in other financing sources related to debt issuance exceeding revenues net of expenditures of $2.2 million.

The park improvements fund has a total fund balance of $31.4 million, which has $18.4 million in restricted and $12.9 million in assigned fund balance. The park improvements fund balance decreased over prior year $10.8 million due to increased capital outlay in the current fiscal year for projects.

The economic development incentive fund balance of $52.1 million increased over prior year by $6.2 million as a result of revenues exceeding expenditures. The portion of the fund balance that is obligated but unpaid for potential incentives the City has signed economic development agreements relating to totals $29.0 million. Although fund balance increased compared to last year, contributions from the general fund decreased $392 thousand.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer fund net position of $407.8 million decreased by $2.2 million over the prior year. In the current fiscal year, total operating revenues are $143.8 million while operating expenses are $143.4 million. Revenue is higher primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. Contractual payments to NTMWD are $95.9 million of the total operating expense and increased compared to prior year due to a rate increase effective October 1, 2016.

- The City's Environmental Waste Services fund net position of $2.9 million decreased by $56 thousand over the prior year. Contractual payments to NTMWD are higher in fiscal year 2017 due to an increase in waste tonnage in both residential and commercial customers.

- The City's Municipal Drainage fund net position increased over the prior year by $1.7 million. Drainage rates remained constant in fiscal year 2017 with revenues reported at $7.5 million and operating expenses and transfers out of $5.2 million.

General Fund Budgetary Highlights

During the current year, the actual on a budgetary basis expenditures were $266.9 million compared to the re-estimated final budget amount of $272.8 million. Actual expenditures on a budgetary basis were $3.7 million lower than the original budget implemented for fiscal year 2017 and $5.9 million lower as compared to the re-estimate final. Decreases were due to continued prudent spending by the various departments, as well as salary savings from the original budget.

For fiscal year 2017, the actual on a budgetary basis revenues were $271.6 million as compared to the re-estimated final budget amount and original budget amount of $268.0 million and $269.6 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a $5.1 million increase in sales tax revenue as a result of the slight improvement in the local economy. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is $76.5 million.

The City has an actual on a budgetary basis general fund balance of $43.3 million as of the fiscal year-end, compared to the re-estimated budget fund balance and original budget fund balance of $34.2 million and $38.1 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2017, the City had $1.5 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of $79.2 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	$ 152,099	$ 139,756	$ 6,765	$ 6,510	$ 158,864	$ 146,266
Buildings and improvements	215,935	211,343	356,601	337,907	572,536	549,250
Equipment	48,384	50,915	786	740	49,170	51,655
Construction in progress	61,821	40,748	20,768	18,028	82,589	58,776
Public art	1,762	1,699	-	-	1,762	1,699
Infrastructure	604,470	586,233	-	-	604,470	586,233
Drainage improvements	-	-	33,065	29,350	33,065	29,350
Totals	$ 1,084,471	$ 1,030,694	$ 417,985	$ 392,535	$ 1,502,456	$ 1,423,229

This year's major capital outlay additions for governmental capital projects included (in millions):

Oak Point recreation center renovations	$ 6.0
Carpenter recreation center renovations	4.7
Park land acquisitions	9.8
Oak Point park development	4.7
Residential street and alley repair	3.6
Reconstruction of pavement and sidewalk	8.2
Arterial concrete repair	6.3
Plano Event Center enhancements	2.3
	$ 45.6

The City's fiscal year 2018 general obligation capital budget includes $137.3 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional $92.9 million in general obligation bond proceeds will be required to support the entire 2017-2018 general obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend $63.9 million on street improvements and enhancements including $4.8 million for 18th Street and Rigsbee Drive street rehabilitation, $4.1 million for the Preston Road and Plano Parkway intersection, $3.3 million for Legacy Drive corridor improvements, $3.1 million for Park Boulevard corridor improvements and $3.1 million for various bridge inspections and repairs. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are $35.7 million including $8.0 million for Oak Point Park and Nature Preserve, $1.5 million for Windhaven Meadows Park development, $1.1 million for Liberty Recreation Center renovations, $1.0 million for Carpenter Park renovations, $13.0 million for various land acquisitions and $1.3 million for various park improvements. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are $33.2 million including $14.3 million for the fire training center, $12.0 million for the police substation at McDermott and Robinson, $6.0 million of renovations at Fire Station No. 1 and Fire Administration buildings, and work scheduled for various City facilities.

Public Infrastructure Improvement. Estimated expenditures of $4.5 million are to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had $409.8 million in bonds and tax anticipation notes outstanding as compared to $374.9 million at the end of the prior fiscal year, an increase of 9.3 percent – as shown in Table 4.

Table 4
Outstanding Debt, at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation bonds and tax anticipation notes (backed by the City)	$ 363,534	$ 332,366	$ -	$ -	$ 363,534	$ 332,366
Revenue bonds (backed by fee revenues)	-	-	46,217	42,491	46,217	42,491
Totals	$ 363,534	$ 332,366	$ 46,217	$ 42,491	$ 409,751	$ 374,857

During the current fiscal year, the City issued $41.3 million in new general obligation bonds and $13.5 million in tax anticipation notes and refunded $27.8 million of general obligation debt. Additionally, the City issued $6.2 million in municipal drainage revenue bonds in fiscal year 2017, in addition to refunding $1.9 million in drainage revenue bonds.

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's

Investor Service, Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry Aa2 and AAA ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of $6.9 million outstanding at year-end compared with $5.9 million at the end of the prior fiscal year. Claims and judgements of $4.3 million relate to property/liability losses while $2.6 million relate to health claims. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials addressed a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2018. With a strategic goal to deliver outstanding operational analysis and effectiveness, the City of Plano is committed to providing exceptional city services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes a one-cent reduction in the tax rate for the 2017-18 Budget. The 2017-18 Combined Budget solely includes enhancements to current services in response to continued growth in the City, which in turn places higher demands on service levels. No new programs are included in the adopted budget. While the budget does include increased property tax revenues, significant declines in other revenue sources have been anticipated including building and development related revenues, municipal court fines and franchise fees. However, through careful planning, the 2017-18 Adopted Budget allows us to meet the above listed demands on the budget even with the previously mentioned one-cent reduction in the tax rate.

The largest single revenue source in the fiscal year 2018 General Fund Budget is property taxes, which account for 45.8% of total revenues. Assessed property values in Plano increased 13.7% from the prior year, including $1.4 billion in new property entering the tax roll for the first time. As mentioned, the 2017-18 Budget does include a one-cent tax rate decrease from 47.86 cents to 46.86 cents per $100 of assessed property valuation in order to recognize taxpayers concerns over increasing assessed property values. Sales tax revenue remains the City's second largest revenue source, making up 26.6% of General Fund revenues.

The North Texas Municipal Water District (NTMWD) is projecting both water and sewer rate increases for FY 2017-18. Wholesale water purchased from the district is projected to increase by 10.0% per thousand gallons and is based on the full take-or-pay contract volume of 26.7 billion gallons. The increased costs are directly tied to payments for the NTMWD debt service associated with the pipeline that brings raw water from Lake Texoma to the Wylie treatment plant and the Lower Bois d'Arc Creek Reservoir project. A Water & Sewer rate model has been conducted to analyze our rates and to ensure long-term sustainability of the fund. This includes analyzing capital improvement projects, such as distribution infrastructure and meter replacements, as well as increased expenditures related to NTMWD. It is currently projected that Plano will end the water year (the annual period runs from August 1 to July 31) at 23.0 billion gallons of water purchased from NTMWD.

A wastewater rate increase will also be required to offset the $2.7 million in increased contract cost from NTMWD. The increase in the wastewater rate is to pay for increased NTMWD debt service costs along with requirements by the Environmental Protection Agency (EPA) for Capacity Management, Operations and Maintenance (CMOM).

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Accounting Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	$ 55,930,218	$ 6,255,806	$ 62,186,024	$ 1,885,331
Investments	333,257,829	30,735,421	363,993,250	11,633,814
Receivables (net of allowance for uncollectibles)	21,101,262	24,480,272	45,581,534	-
Internal balances	(13,660,088)	13,660,088	-	-
Due from other governments	2,785,610	-	2,785,610	-
Inventories	1,143,200	200,830	1,344,030	-
Prepaids and other assets	22,109,754	1,429,169	23,538,923	-
Restricted assets:				
Cash and cash equivalents	-	6,607,528	6,607,528	-
Investments	-	40,601,305	40,601,305	-
Receivables	-	171,769	171,769	-
Capital assets:				
Nondepreciable	215,682,067	27,532,677	243,214,744	1,579,168
Depreciable (net)	868,788,965	390,451,974	1,259,240,939	-
Total assets	1,507,138,817	542,126,839	2,049,265,656	15,098,313
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	63,901,052	7,752,610	71,653,662	-
Deferred charges on refunding	9,873,996	361,547	10,235,543	-
	73,775,048	8,114,157	81,889,205	-
LIABILITIES				
Accounts payable	5,099,710	7,688,003	12,787,713	10,480
Accrued liabilities	9,110,301	3,147,899	12,258,200	-
Accrued interest payable	1,214,624	677,455	1,892,079	-
Contracts payable	4,441,840	1,701,005	6,142,845	-
Customer deposits	-	3,592,343	3,592,343	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	5,009,266	717,506	5,726,772	-
Due to other governments	2,930,731	-	2,930,731	-
Retainage payable	2,531,007	1,850,745	4,381,752	-
Seized assets payable	66,110	-	66,110	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	5,047,763	460,589	5,508,352	-
Bonds and notes payable	33,986,604	2,778,850	36,765,454	-
Liability for insurance claims	6,862,866	-	6,862,866	-
Due in more than one year:				
Compensated absences	33,734,498	3,603,908	37,338,406	-
Bonds and notes payable	329,547,442	43,437,755	372,985,197	-
Net pension liability	122,318,669	14,884,424	137,203,093	-
Total liabilities	561,901,431	84,771,802	646,673,233	10,480
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	4,607,628	553,959	5,161,587	-
NET POSITION				
Net investment in capital assets	790,687,802	377,622,087	1,168,309,889	1,579,168
Restricted for:				
Capital projects	14,757,263	2,748,691	17,505,954	-
Special revenue	40,519,325	-	40,519,325	-
Component unit	92,370	-	92,370	13,508,665
Debt service	4,440,933	3,358,299	7,799,232	-
Unrestricted	163,907,113	81,186,158	245,093,271	-
Total net position	$ 1,014,404,806	$ 464,915,235	$ 1,479,320,041	$ 15,087,833

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Primary Government:				
Governmental Activities:				
General government	$ 27,352,742	$ 10,088,711	$ 308,079	$ -
Administrative services	11,729,785	5,855	-	-
Police	88,408,381	18,608,424	1,913,658	151,804
Fire	63,104,587	5,941,980	630,019	-
Libraries	12,381,069	251,187	131,997	-
Development	38,018,301	9,335,464	9,049,221	-
Public services and operations	8,350,096	1,550,664	188,399	-
Parks and recreation	36,069,542	4,858,934	306,484	164,100
Public works	33,751,984	34,783	208,019	11,726,292
Technology services	18,193,246	3,673,689	-	-
Interest on long-term debt	10,897,222	-	-	-
Total governmental activities	348,256,955	54,349,691	12,735,876	12,042,196
Business-type Activities:				
Water and sewer	144,379,544	143,957,017	-	7,778,571
Environmental waste services	26,767,335	17,819,166	-	-
Municipal drainage	4,977,428	7,541,895	-	-
Convention and tourism	8,661,450	1,861,402	-	-
Municipal golf course	1,220,462	1,020,019	-	-
Recreation revolving	3,574,034	3,889,169	-	-
Downtown center development	17,406	68,678	-	-
Total business-type activities	189,597,659	176,157,346	-	7,778,571
Total primary government	$ 537,854,614	$ 230,507,037	$ 12,735,876	$ 19,820,767
Component unit:				
TIF East Side	$ 356,819	$ -	$ -	$ 50,000

General revenues:
- Property taxes
- Sales taxes
- Mixed drink taxes
- Hotel/Motel tax
- Other taxes
- Franchise fees based upon gross receipts
- Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (16,955,952)		$ (16,955,952)	
(11,723,930)		(11,723,930)	
(67,734,495)		(67,734,495)	
(56,532,588)		(56,532,588)	
(11,997,885)		(11,997,885)	
(19,633,616)		(19,633,616)	
(6,611,033)		(6,611,033)	
(30,740,024)		(30,740,024)	
(21,782,890)		(21,782,890)	
(14,519,557)		(14,519,557)	
(10,897,222)		(10,897,222)	
(269,129,192)		(269,129,192)	
	$ 7,356,044	7,356,044	
	(8,948,169)	(8,948,169)	
	2,564,467	2,564,467	
	(6,800,048)	(6,800,048)	
	(200,443)	(200,443)	
	315,135	315,135	
	51,272	51,272	
	(5,661,742)	(5,661,742)	
(269,129,192)	(5,661,742)	(274,790,934)	
			(306,819)
173,005,300	-	173,005,300	1,821,395
81,795,481	-	81,795,481	-
2,048,388	-	2,048,388	-
-	8,685,384	8,685,384	-
213,020	-	213,020	-
24,553,341	8,753,718	33,307,059	-
3,018,751	453,519	3,472,270	-
13,573,300	(13,573,300)	-	-
298,207,581	4,319,321	302,526,902	1,821,395
29,078,389	(1,342,421)	27,735,968	1,514,576
985,326,417	466,257,656	1,451,584,073	13,573,257
$ 1,014,404,806	$ 464,915,235	$ 1,479,320,041	$ 15,087,833

CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017

	General	Debt Service	Capital Reserve	Street Improvements
ASSETS				
Cash and cash equivalents	$ 8,285,617	$ 618,593	$ 6,566,019	$ 7,257,828
Investments	46,493,191	3,801,068	40,346,244	44,597,203
Receivables (net of allowance for uncollectibles)				
Taxes	15,140,832	230,169	-	-
Accounts	1,800,374	-	-	-
Accrued interest	196,695	16,081	170,690	188,673
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	1,023,417	-	165,000	-
Due from other governments	8,793	-	-	1,567,323
Inventories	85,553	-	-	-
Prepaid items and other assets	341,382	-	-	60,480
Total assets	73,375,854	4,665,911	47,247,953	55,037,628
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	2,774,933	-	-	-
Accrued liabilities	8,813,542	-	-	-
Contracts payable	-	-	563,004	1,882,759
Unearned revenue	1,181,152	-	-	4,940,601
Due to other funds	638,067	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	681,193	749,934
Seized assets payable	-	-	-	-
Total liabilities	13,619,293	-	1,244,197	7,573,294
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	8,121,438	224,978	-	-
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	426,935	-	-	60,480
Restricted for:				
Debt service	-	4,440,933	-	-
Street improvements	-	-	-	33,142,665
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	218,435	-	-	-
Administrative services	527,063	-	-	-
Police	509,597	-	-	-
Fire	1,488,723	-	-	-
Libraries	270,457	-	-	-
Development	2,208,315	-	-	-
Public services and operations	227,847	-	-	-
Parks and recreation	1,755,447	-	-	-
Public works	1,149,866	-	-	-
Capital reserve	-	-	46,003,756	-
Street improvements	-	-	-	14,261,189
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	293,097	-	-	-
Unassigned	42,559,341	-	-	-
Total fund balance	51,635,123	4,440,933	46,003,756	47,464,334
Total liabilities, deferred inflows, and fund balance	$ 73,375,854	$ 4,665,911	$ 47,247,953	$ 55,037,628

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
$ 3,507,216	$ 4,747,725	$ 7,262,453	$ 7,775,531	$ 46,020,982
21,550,806	29,173,365	44,625,627	41,781,001	272,368,505
-	-	-	-	15,371,001
-	-	-	753,732	2,554,106
91,175	123,421	188,794	176,639	1,152,168
-	-	-	-	1,366,121
-	-	-	175,068	175,068
-	-	-	584,214	1,772,631
-	-	-	1,209,494	2,785,610
-	-	-	-	85,553
-	-	543	142,040	544,445
25,149,197	34,044,511	52,077,417	52,597,719	344,196,190
-	-	-	405,253	3,180,186
-	-	-	43,105	8,856,647
402,118	1,593,959	-	-	4,441,840
-	-	-	253,634	6,375,387
-	-	-	1,011,664	1,649,731
-	-	-	2,719,132	2,930,731
3,405	1,096,475	-	-	2,531,007
-	-	-	66,110	66,110
405,523	2,690,434	-	4,498,898	30,031,639
-	-	-	1,265,559	9,611,975
-	-	543	142,040	629,998
-	-	-	-	4,440,933
-	-	-	-	33,142,665
20,988,114	-	-	2,027,168	23,015,282
-	18,415,656	-	-	18,415,656
-	-	-	39,114,496	39,114,496
-	-	-	89,600	89,600
-	-	52,076,874	-	52,076,874
-	-	-	-	218,435
-	-	-	-	527,063
-	-	-	-	509,597
-	-	-	-	1,488,723
-	-	-	-	270,457
-	-	-	-	2,208,315
-	-	-	-	227,847
-	-	-	-	1,755,447
-	-	-	-	1,149,866
-	-	-	-	46,003,756
-	-	-	-	14,261,189
3,755,560	-	-	-	3,755,560
-	12,938,421	-	-	12,938,421
-	-	-	5,459,958	5,459,958
-	-	-	-	293,097
-	-	-	-	42,559,341
24,743,674	31,354,077	52,077,417	46,833,262	304,552,576
$ 25,149,197	$ 34,044,511	$ 52,077,417	$ 52,597,719	$ 344,196,190

CITY OF PLANO, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	$	304,552,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,043,959,974
Deferred outflows represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		9,873,996
Deferred outflows related to pensions.		63,901,052
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.		22,479,782
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		89,887,244
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(402,935,496)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.		9,611,975
Net pension liability and deferred inflows related to pensions.		(126,926,297)
Net position of governmental activities	$	1,014,404,806

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General	Debt Service	Capital Reserve	Street Improvements
REVENUES				
Taxes:				
Property taxes	$ 120,048,669	$ 41,588,745	$ -	$ -
Sales taxes	81,530,064	-	-	-
Other taxes	2,194,161	-	-	-
Franchise fees	23,778,918	-	-	-
Fines and forfeitures	6,081,129	-	-	-
Contributions	-	-	13,671	1,032,647
Rollback taxes	-	-	1,083,768	-
Licenses and permits	11,096,275	-	-	-
Intragovernmental	10,272,023	-	-	-
Intergovernmental	1,041,292	-	-	82,062
Fees for services	14,170,506	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	659,020	284,622	283,048	360,687
Miscellaneous	1,858,760	151,804	36,202	-
Total revenues	272,730,817	42,025,171	1,416,689	1,475,396
EXPENDITURES				
Current operating:				
General government	27,946,543	-	-	-
Administrative services	11,009,172	-	-	-
Police	76,650,126	-	-	-
Fire	58,553,377	-	-	-
Libraries	10,799,003	-	-	-
Development	32,331,624	-	-	-
Public services and operations	6,586,559	-	-	-
Parks and recreation	24,471,388	-	-	-
Public works	6,488,697	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	3,833,561	-	36,274,035	13,876,478
Interest and fiscal charges	-	-	-	73,189
Debt service:				
Principal retirement	-	27,145,000	-	-
Interest and fiscal charges	-	14,652,723	-	-
Total expenditures	259,670,050	41,797,723	36,274,035	13,949,667
Excess (deficiency) of revenues over (under) expenditures	13,060,767	227,448	(34,857,346)	(12,474,271)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	20,626,175
Issuance of debt - refunding	-	27,805,000	-	-
Escrow payment - refunding	-	(32,589,261)	-	-
Premium on sale of bonds	-	5,071,986	-	1,913,349
Insurance Receipts	-	-	2,524,669	-
Transfers in	10,060,903	-	28,070,000	-
Transfers out	(25,676,520)	-	-	-
Total other financing sources (uses)	(15,615,617)	287,725	30,594,669	22,539,524
Net change in fund balances	(2,554,850)	515,173	(4,262,677)	10,065,253
Fund balances-beginning	54,189,973	3,925,760	50,266,433	37,399,081
Fund balances-ending	$ 51,635,123	$ 4,440,933	$ 46,003,756	$ 47,464,334

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 161,637,414
-	-	-	-	81,530,064
-	-	-	-	2,194,161
-	-	-	-	23,778,918
-	-	-	7,784,323	13,865,452
-	-	6,801,800	427,283	8,275,401
-	-	-	-	1,083,768
-	-	-	-	11,096,275
-	-	-	-	10,272,023
-	-	-	2,171,629	3,294,983
-	-	-	3,420,554	17,591,060
-	-	-	97,091	97,091
-	-	-	44,326	44,326
173,254	275,908	291,700	282,025	2,610,264
-	125,000	767,055	2,761	2,941,582
173,254	400,908	7,860,555	14,229,992	340,312,782
-	-	-	-	27,946,543
-	-	-	-	11,009,172
-	-	-	8,523,686	85,173,812
-	-	-	513,757	59,067,134
-	-	-	134,167	10,933,170
-	-	1,674,435	1,581,664	35,587,723
-	-	-	1,073,187	7,659,746
-	-	-	-	24,471,388
-	-	-	-	6,488,697
-	-	-	-	1,000,000
2,331,773	31,477,950	-	2,816,103	90,609,900
71,869	59,154	-	-	204,212
-	-	-	-	27,145,000
-	-	-	-	14,652,723
2,403,642	31,537,104	1,674,435	14,642,564	401,949,220
(2,230,388)	(31,136,196)	6,186,120	(412,572)	(61,636,438)
15,463,766	18,650,059	-	-	54,740,000
-	-	-	-	27,805,000
-	-	-	-	(32,589,261)
1,802,296	1,730,038	-	-	10,517,669
-	-	-	-	2,524,669
-	-	-	550,000	38,680,903
-	-	-	(10,525)	(25,687,045)
17,266,062	20,380,097	-	539,475	75,991,935
15,035,674	(10,756,099)	6,186,120	126,903	14,355,497
9,708,000	42,110,176	45,891,297	46,706,359	290,197,079
$ 24,743,674	$ 31,354,077	$ 52,077,417	$ 46,833,262	$ 304,552,576

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	$ 14,355,497
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	41,560,890
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	11,154,608
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(32,180,074)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	(10,326,667)
Other long-term liabilities related to pension expense in internal service funds	(613,052)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,048,890
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	3,078,297
Change in net position of governmental activities	$ 29,078,389

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 3,869,127	$ 891,259	$ 500,863	$ 994,557	$ 6,255,806	$ 9,909,236
Investments	16,173,515	5,404,747	3,077,655	6,079,504	30,735,421	60,889,324
Receivables (net of allowance for uncollectibles)						
Accounts	20,014,641	1,193,204	809,495	1,040,260	23,057,600	225,182
Accrued interest	68,424	22,865	13,020	25,721	130,030	257,208
Other	5,247	1,257,010	-	30,385	1,292,642	408
Due from other funds	-	-	-	-	-	53,853
Inventories	200,830	-	-	-	200,830	1,057,647
Prepaid expenses and other assets	937,637	24,078	-	467,454	1,429,169	451,648
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	112,390	-	524,108	-	636,498	-
Investments	690,604	-	2,014,650	-	2,705,254	-
Accrued interest receivable	2,922	-	13,625	-	16,547	-
Revenue bond reserve fund-						
Investments	-	-	1,205,839	-	1,205,839	-
Revenue bond construction fund-						
Cash and cash equivalents	4,903,713	-	1,067,317	-	5,971,030	-
Investments	30,131,864	-	6,558,348	-	36,690,212	-
Accrued interest receivable	127,476	-	27,746	-	155,222	-
Total current assets	77,238,390	8,793,163	15,812,666	8,637,881	110,482,100	72,844,506
Capital assets:						
Land	3,656,767	-	115,616	2,992,154	6,764,537	62,522
Buildings	2,748,029	529,780	52,921	13,782,224	17,112,954	5,975,294
Improvements other than buildings	632,978,681	-	-	3,519,353	636,498,034	-
Equipment	110,512	470,301	15,048	1,498,435	2,094,296	41,456,215
Furniture and fixtures	129,460	2,448	4,421	269,974	406,303	316,835
Rolling equipment	2,417	-	-	-	2,417	54,702,570
Drainage improvements	-	-	42,294,731	-	42,294,731	-
Construction in progress	19,192,150	-	1,575,990	-	20,768,140	-
Less accumulated depreciation	(281,659,298)	(163,232)	(9,278,694)	(16,855,537)	(307,956,761)	(62,002,378)
Total capital assets (net of accumulated depreciation)	377,158,718	839,297	34,780,033	5,206,603	417,984,651	40,511,058
Total noncurrent assets	377,158,718	839,297	34,780,033	5,206,603	417,984,651	40,511,058
Total assets	$ 454,397,108	$ 9,632,460	$ 50,592,699	$ 13,844,484	$ 528,466,751	$ 113,355,564
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	3,538,787	2,287,933	636,756	1,289,134	7,752,610	3,573,657
Deferred charges on refunding	-	-	361,547	-	361,547	-
	3,538,787	2,287,933	998,303	1,289,134	8,114,157	3,573,657

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2017
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	$ 6,472,298	$ 487,681	$ 620,567	$ 107,457	$ 7,688,003	$ 1,919,524
Accrued liabilities	248,476	2,597,919	44,757	256,747	3,147,899	253,654
Unearned revenue	170	-	-	717,336	717,506	-
Due to other funds	-	-	-	11,753	11,753	165,000
Customer deposits	3,327,871	-	-	264,472	3,592,343	-
Escrow liability	231,320	-	-	-	231,320	-
Liability for compensated absences	279,320	111,719	51,979	17,571	460,589	226,738
Liability for insurance claims	-	-	-	-	-	6,862,866
Total current liabilities	10,559,455	3,197,319	717,303	1,375,336	15,849,413	9,427,782
Current liabilities payable from restricted assets:						
Contracts payable	1,701,005	-	-	-	1,701,005	-
Current portion of long-term debt	890,867	-	1,887,983	-	2,778,850	-
Accrued interest payable	408,500	-	268,955	-	677,455	-
Retainage payable	1,825,764	-	24,981	-	1,850,745	-
Total current liabilities payable from restricted assets	4,826,136	-	2,181,919	-	7,008,055	-
Total current liabilities	15,385,591	3,197,319	2,899,222	1,375,336	22,857,468	9,427,782
Noncurrent liabilities:						
Bonds payable	26,385,584	-	17,052,171	-	43,437,755	-
Net pension liability	6,777,873	4,411,048	1,195,795	2,499,708	14,884,424	6,757,474
Liability for compensated absences	1,371,763	1,289,791	293,563	648,791	3,603,908	368,697
Total noncurrent liabilities	34,535,220	5,700,839	18,541,529	3,148,499	61,926,087	7,126,171
Total liabilities	49,920,811	8,898,158	21,440,751	4,523,835	84,783,555	16,553,953
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	253,673	163,366	46,416	90,504	553,959	258,201
	253,673	163,366	46,416	90,504	553,959	258,201
NET POSITION						
Net investment in capital assets	376,267,851	839,297	21,693,920	5,206,603	404,007,671	40,511,058
Restricted for:						
Debt service	805,916	-	2,552,383	-	3,358,299	-
Unrestricted	30,687,644	2,019,572	5,857,532	5,312,676	43,877,424	59,606,009
Total net position	$ 407,761,411	$ 2,858,869	$ 30,103,835	$ 10,519,279	$ 451,243,394	$ 100,117,067

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017

Amounts reported for business-type activities in the statement of net position are different because:

Total net position of proprietary funds	$	451,243,394
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.		
The net receivable due from activities of the internal service funds which is reported within business-type activities.		13,671,841
Net position of business-type activities	$	464,915,235

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Operating revenues:						
Charges for sales and services:						
Service charges	$ 143,280,428	$ 14,646,846	$ 7,535,378	$ 6,695,376	$ 172,158,028	$ 76,861,724
Franchise fees	-	8,753,718	-	-	8,753,718	-
Compost products	-	1,878,528	-	-	1,878,528	-
Subrogation receipts	-	-	-	-	-	1,587,431
Contributions	-	117,348	-	-	117,348	-
Miscellaneous charges	502,795	1,123,672	6,517	138,303	1,771,287	21,428
Total operating revenues	143,783,223	26,520,112	7,541,895	6,833,679	184,678,909	78,470,583
Operating expenses:						
Personnel services	11,652,539	7,303,647	2,567,984	4,840,418	26,364,588	10,864,732
Pension expense (net)	585,014	386,922	107,698	215,045	1,294,679	613,052
Contractual services	8,305,867	7,953,905	517,479	7,457,645	24,234,896	14,381,662
Supplies	1,990,250	481,074	185,862	907,379	3,564,565	8,279,739
Claims expense	-	-	-	-	-	34,394,670
Depreciation	15,142,631	29,930	820,838	391,739	16,385,138	9,400,162
Solid waste disposal	-	8,805,414	-	-	8,805,414	-
Wastewater treatment	30,197,147	-	-	-	30,197,147	-
Charges in lieu of taxes	8,793,965	1,478,308	-	-	10,272,273	-
Water supply	65,688,523	-	-	-	65,688,523	-
Miscellaneous	1,043,711	223,667	26,247	220,075	1,513,700	94,042
Total operating expenses	143,399,647	26,662,867	4,226,108	14,032,301	188,320,923	78,028,059
Operating income (loss)	383,576	(142,755)	3,315,787	(7,198,622)	(3,642,014)	442,524
Nonoperating revenues (expenses):						
Investment income	278,867	34,464	100,651	39,537	453,519	408,487
Loss on property disposition	-	-	-	(6,268)	(6,268)	787,009
Interest and fiscal charges	(550,623)	-	(583,257)	-	(1,133,880)	-
Hotel/Motel tax	-	-	-	8,685,384	8,685,384	-
Intergovernmental revenues	-	-	-	-	-	163,852
Miscellaneous	173,794	52,772	(128,733)	5,589	103,422	76,076
Total nonoperating revenue (expenses)	(97,962)	87,236	(611,339)	8,724,242	8,102,177	1,435,424
Income (loss) before contributions and transfers	285,614	(55,519)	2,704,448	1,525,620	4,460,163	1,877,948
Contributions from developers	7,778,571	-	-	-	7,778,571	-
Transfers in	-	-	-	-	-	829,442
Transfers out	(10,299,367)	-	(1,020,362)	(2,253,571)	(13,573,300)	(250,000)
Change in net position	(2,235,182)	(55,519)	1,684,086	(727,951)	(1,334,566)	2,457,390
Total net position-beginning	409,996,593	2,914,388	28,419,749	11,247,230	452,577,960	97,659,677
Total net position-ending	$ 407,761,411	$ 2,858,869	$ 30,103,835	$ 10,519,279	$ 451,243,394	$ 100,117,067

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - total proprietary funds	$ (1,334,566)
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds are reported within business-type activities.	(7,855)
Change in net position of business-type activities	$ (1,342,421)

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 140,408,270	$ 18,519,161	$ 7,463,442	$ 6,765,577	$ 173,156,450	$ 76,825,797
Cash received from subrogation	-	-	-	-	-	1,587,431
Franchise fees	-	8,753,718	-	-	8,753,718	-
Charges in lieu of taxes	(8,793,965)	(1,478,308)	-	-	(10,272,273)	-
Cash payments to suppliers for goods and services	(105,806,691)	(16,663,484)	(210,770)	(8,588,705)	(131,269,650)	(56,932,116)
Cash paid to or on behalf of employees for services	(11,785,769)	(6,906,813)	(2,531,151)	(4,772,617)	(25,996,350)	(10,917,021)
Net cash provided (used) by operating activities	14,021,845	2,224,274	4,721,521	(6,595,745)	14,371,895	10,564,091
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments to other funds	-	-	-	-	-	(53,853)
Hotel/Motel tax	-	-	-	8,685,384	8,685,384	-
Transfers to other funds	(10,299,367)	-	(1,020,362)	(2,253,571)	(13,573,300)	(250,000)
Transfers from other funds	-	-	-	-	-	829,442
Intergovernmental receipts	-	-	-	-	-	163,852
Net cash provided (used) by noncapital financing activities	(10,299,367)	-	(1,020,362)	6,431,813	(4,887,916)	689,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(31,329,286)	(187,322)	(1,663,711)	(101,118)	(33,281,437)	(11,664,946)
Bond proceeds	-	-	6,430,492	-	6,430,492	-
Bond issuance costs paid	(750)	-	(2,250)	-	(3,000)	-
Proceeds from sale of equipment	-	-	-	-	-	1,447,097
Principal paid on long-term debt	(930,000)	-	(1,960,000)	-	(2,890,000)	-
Interest and fees paid on long-term debt	(907,225)	-	(476,554)	-	(1,383,779)	-
Proceeds from insurance damages	173,794	52,772	11,652	5,589	243,807	76,076
Net cash provided (used) by capital and related financing activities	(32,993,467)	(134,550)	2,339,629	(95,529)	(30,883,917)	(10,141,773)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(46,995,983)	(5,404,747)	(12,856,492)	(6,079,504)	(71,336,726)	(60,889,324)
Proceeds from sale and maturities of investment securities	65,991,804	3,277,839	6,944,319	5,731,892	81,945,854	54,490,082
Interest on investments	470,877	31,012	87,387	47,762	637,038	473,993
Net cash provided (used) by investing activities	19,466,698	(2,095,896)	(5,824,786)	(299,850)	11,246,166	(5,925,249)
Net increase (decrease) in cash and cash equivalents	(9,804,291)	(6,172)	216,002	(559,311)	(10,153,772)	(4,813,490)
Cash and cash equivalents, beginning of year	18,689,521	897,431	1,876,286	1,553,868	23,017,106	14,722,726
Cash and cash equivalents, end of year	$ 8,885,230	$ 891,259	$ 2,092,288	$ 994,557	$ 12,863,334	$ 9,909,236
Classified as:						
Current assets	$ 3,869,127	$ 891,259	$ 500,863	$ 994,557	$ 6,255,806	$ 9,909,236
Restricted assets	5,016,103	-	1,591,425	-	6,607,528	-
Total	$ 8,885,230	$ 891,259	$ 2,092,288	$ 994,557	$ 12,863,334	$ 9,909,236
Noncash disclosures:						
Developers' contributions	$ 7,778,571	$ -	$ -	$ -	$ 7,778,571	$ -
Premium amortization	35,867	-	47,983	-	83,850	-
Amortization of deferred charge on refunding	-	-	(127,270)	-	(127,270)	-
Loss on property disposition	-	-	-	(6,268)	(6,268)	(660,088)
Decrease in fair value of investments	(303,935)	(32,522)	(76,880)	(37,735)	(451,072)	(276,296)
Transfer in (out) of capital assets	(2,889)	(4,495)	(245)	-	(7,629)	315,377

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities-Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 383,576	$ (142,755)	$ 3,315,787	$ (7,198,622)	$ (3,642,014)	$ 442,524
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	15,142,631	29,930	820,838	391,739	16,385,138	9,400,162
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(3,877,999)	(80,194)	(81,145)	(182,806)	(4,222,144)	(7,885)
Other accounts receivable	97	846,461	-	(11,127)	835,431	(203,935)
Due from other funds	12,662	-	2,692	-	15,354	-
Prepaid expenses and other assets	588,666	427,017	2,070	(22,289)	995,464	(18,230)
Inventories	(122,804)	-	-	-	(122,804)	37,102
Pensions	585,014	386,922	107,698	215,045	1,294,679	613,052
Increase (decrease) in-						
Accounts payable	727,945	373,559	516,748	31,239	1,649,491	(765,961)
Accrued liabilities	(37,055)	264,341	149	43,343	270,778	(551)
Due to other funds	-	-	-	10,323	10,323	154,465
Liability for compensated absences	(96,175)	132,493	36,684	24,458	97,460	(51,738)
Customer deposits	490,297	-	-	71,314	561,611	-
Escrow liability	225,000	-	-	-	225,000	-
Unearned revenue	(10)	(13,500)	-	31,638	18,128	-
Liability for insurance claims	-	-	-	-	-	965,086
Total adjustments	13,638,269	2,367,029	1,405,734	602,877	18,013,909	10,121,567
Net cash provided (used) by operating activities	$ 14,021,845	$ 2,224,274	$ 4,721,521	$ (6,595,745)	$ 14,371,895	$ 10,564,091

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY AND AGENCY FUNDS
AS OF SEPTEMBER 30, 2017

	Pension and Other Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	$ 2,571,829	$ 449,535
Investment pool	-	2,762,262
Other U.S. government obligations	26,551,750	-
Corporate bonds	21,019,382	-
Asset-backed securities	3,838,804	-
Common stocks	104,302,889	-
Mutual funds	64,342,565	-
Accrued interest	444,109	11,687
Pending trades	129,991	-
Total assets	223,201,319	3,223,484
LIABILITIES		
Accrued liabilities	256,967	-
Developers' escrow liability	-	3,037,669
Unclaimed property payable	-	185,815
Total liabilities	256,967	3,223,484
NET POSITION		
Held in trust for pension benefits	142,428,362	
Held in trust for other postemployment benefits	80,515,990	
Total net position	$ 222,944,352	

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions	
From employers	$ 10,410,996
From retirees	1,283,286
Total contributions	11,694,282
Investment return:	
Net increase (decrease) in fair value of investments	22,343,315
Interest	1,426,042
Dividends	2,835,161
Miscellaneous	18,707
Total investment return	26,623,225
Total additions, net	38,317,507
DEDUCTIONS	
Benefits	8,183,592
Administrative expenses	803,626
Miscellaneous expenses	24,073
Total deductions	9,011,291
Net increase	29,306,216
Net position held in trusts - beginning of year	193,638,136
Net position held in trusts - end of year	$ 222,944,352

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas (City) was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's

reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15 year term will include participation with the City, as well as Collin County. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. Financial reports may be obtained by request to the City's Accounting Department, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Blended Component Units.

The City has established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

In fiscal year 2016, the Plano Improvement Corporation (PIC) was established as a 501(c)3 to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations desire to donate real and/or personal property to the City to further the charitable purposes of the person or entity and to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the Other Governmental Funds category.

In fiscal year 2017, the Transportation Management Association (TMA) was created as a 501(c)6 comprised of businesses and local governments dedicated to solving local transportation concerns, which benefits the primary government. The TMA is an organized group applying selected measures to facilitate the movement of people and goods within an area led by a Board of Directors, with public and private members with a common interest. The TMA represents and connects employers, employees and government agencies to mitigate mobility challenges. Additionally, the organization allows businesses to pool resources to support commuter

transportation strategies, act in an advocacy role with local government and expand knowledge of alternatives to commuting in single occupancy vehicles. Currently, membership is restricted to specific boundaries and derived from dues paid by contributing businesses in the area. In fiscal year 2017, the City of Plano applied for grant funding through the North Central Texas Council of Governments which will pass-through to the TMA by means of an agreement. The City will be involved in the initial implementation and establishment of the TMA organization through the life of the grant, which at that time operations will be conducted by the TMA Board.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

During fiscal year 2017, the City adopted the following GASB Statements:

GASB Statement No. 77, "*Tax Abatement Disclosures,*" addresses financial reporting for tax abatement agreements entered into by state and local governments. This Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The City implemented this Statement in the current fiscal year.

GASB Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,"* addresses a practice issue regarding the scope and applicability of Statement No. 68, *"Accounting and Financial Reporting for Pensions"*. Statement No. 78 is to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of this statement has no effect on the financial statements.

GASB Statement No. 80, *"Blending Requirements for Certain Component Units,"* is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *"The Financial Reporting Entity",* as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The City has the PIC which was established to serve as a non-profit corporation and is therefore, reported as a blended component unit.

GASB Statement No. 81, *"Irrevocable Split-Interest Agreements,"* is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement has no effect on the financial statements.

GASB Statement No. 82, *"Pension Issues,"* is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the

presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this statement in the current fiscal year.

The GASB has issued the following statements which will be effective next fiscal year as described below:

GASB Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* establishes financial reporting standards for state and local governmental other post employment benefit plans (OPEB). The statement replaces Statement No. 43, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* as amended, and Statement No. 57, *"OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans".* The City is currently evaluating changes to the financial statements as a result of the implementation of this statement. Statement No. 74 is effective for financial statements for fiscal years beginning after June 15, 2016. The OPEB Plan is reported on a calendar year basis.

GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB),"* addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and pension expense. The City is currently evaluating changes to the financial statements as a result of the implementation of this statement. Statement No. 75 is effective for fiscal years beginning after June 15, 2017.

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund,

capital reserve fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of equipment maintenance and replacement, municipal warehouse, technology services, risk management and health claims funds.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the pension trust, postemployment benefits trust, developers' escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept.

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four to eight year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, convention and tourism, municipal golf course, downtown center development and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.

b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

c. The Capital Reserve Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.

d. The Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.

e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

f. The Park Improvements Fund accounts for the financing and construction of park projects. Funds are provided primarily through bond sales and interest earnings.

g. The Economic Development Incentive Fund accounts for $0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

h. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.

b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.

c. The Municipal Drainage Fund accounts for the City's storm water management program.

d. Other Enterprise Funds are a summarization of all of the nonmajor enterprise funds.

3. Other Fund Types:

The City additionally reports for the following fund types:

a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.

b. Agency funds are used to account for assets held by the City in an agency capacity for individuals (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.

c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and government agencies, which are recorded at amortized cost. Amortized cost approximates

fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

The other assets category consists of other postemployment benefits.

I. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at acquisition value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For fiscal year 2017, $830,466 and $49,398 of such interest costs were capitalized in the Water and Sewer and Municipal Drainage Funds, respectively.

Property, plant and equipment of the primary government and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15 - 40
Improvements other than buildings	20 - 50
Equipment	2 - 10
Furniture and fixtures	5 - 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 - 50

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave is capped at 480 hours and leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by state civil service law. All other full-time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies including the Departments of Energy and Transportation, Housing and Urban Development, Justice, Treasury and Homeland Security, Office of National Drug Control Policy and Institute of Museum and Library Services which are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Deferred Inflows/Outflows of Resources

Deferred outflows of resources are used to report consumptions of net position by the City that are applicable to a future reporting period. Deferred inflows of resources are used to report acquisitions of net position by the City that are applicable to future reporting periods. The deferred inflow is reclassified to revenue on the government-wide financial statements.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category. First, the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt. Second, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. The last deferred outflow is the difference between projected and actual investment earnings that are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify in this category, which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is

reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is recorded in the government-wide Statement of Net Position and fund level financials for the proprietary Statements of Net Position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the Plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

N. Long-Term Debt

General obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Retirement Plans

The City has two separate retirement plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $(402,935,496) difference are as follows:

Bonds and tax anticipation notes payable	$ (327,935,000)
Add: Premium	(35,599,046)
Accrued interest payable	(1,214,624)
Compensated absences	(38,186,826)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$ (402,935,496)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense." The details of the $41,560,890 difference are as follows:

Capital outlay	$ 90,609,900
Depreciation expense	(48,777,914)
Other capital-related transactions	(271,096)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 41,560,890

Another element of the reconciliation states, "The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(32,180,074) difference are as follows:

Bonds issued:		
New money	$	(54,740,000)
Refunded bonds		(27,805,000)
Premium		(10,517,669)
Underwriter's discount		(508,575)
Difference in refunded principal/interest and escrow deposit		1,656,909
Payment to escrow agent		32,589,261
Principal payments		27,145,000
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(32,180,074)

The reconciliation also states, “Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds.” The details of this $2,048,890 difference are as follows:

Changes in:		
Compensated absences	$	(503,047)
Accrued interest		(108,110)
Amortization of deferred charge on refunding		(2,488,528)
Amortization of bond premium		5,203,809
Change in net OPEB asset		(55,234)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	2,048,890

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were no

appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Statement, included in the basic financial statements, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from "rolled back" tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The details of fund balance classifications for other governmental funds are as follows:

Restricted for:		
Other Capital Projects:		
Public Infrastructure	$	1,848,274
DART		178,894
	$	2,027,168
Special Revenue funds:		
Criminal investigation fund	$	4,296,230
Grant fund		18,196
PTV fund		1,611,363
Public safety communications fund		16,792,361
Municipal court fund		15,640,889
Memorial library fund		372,981
Libraries fund		36,985
Animal shelter donations fund		246,433
Community paramedic program fund		99,058
	$	39,114,496
Blended Component Unit:		
PID	$	32,404
PIC		47,196
TMA		10,000
	$	89,600
Assigned to:		
Other Capital Projects:		
Park services fund	$	5,446,945
Public Infrastructure		13,013
	$	5,459,958
Nonspendable:		
Special Revenue funds:		
Grant fund	$	225
PTV fund		127,430
Municipal court fund		11,615
	$	139,270
Blended Component Unit:		
PID	$	2,770
	$	2,770

Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2017, the carrying amount of the City's demand deposits was $44,544,583, which includes component unit deposits of $1,255,127. The bank balance was $52,498,849. At September 30, 2017, the City's cash on hand totaled $1,194,085. At September 30, 2017, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was $36,825,437. At September 30, 2017 the carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund was $347,027. At September 30, 2017 the carrying value of cash held in trust by a bank trust department for the City's Retirement Security Plan was $2,224,802.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2017:

- U.S. Agencies of $112.4 million are valued using matrix pricing (Level 2 inputs)
- Municipal Bonds of $234.8 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Retirement Security Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2017:

- U.S. Government Obligations of $24.5 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of $17.0 million are valued using matrix pricing (Level 2 inputs)
- Equities of $98.4 million are valued using quoted market prices (Level 1 inputs)

The Postemployment Benefit Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2017:

- U.S. Agencies of $2.0 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of $4.1 million are valued using matrix pricing (Level 2 inputs)
- Asset-backed securities of $3.8 million are valued using quoted market prices (Level 1 inputs)
- Equities of $70.3 million are valued using quoted market prices (Level 1 inputs)

At September 30, 2017, the City's investment balances were as follows:

		Fair Value Measurements Using			
Investments by Fair Value Level	**9/30/2017**	**Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)**	**Significant Other Observable Inputs Primary Government (Level 2)**	**Significant Other Observable Inputs Component Unit (Level 2)**	**Weighted Avg Maturity (Years)***
U.S. Agencies	$ 122,326,705	$ -	$ 112,451,533	$ 9,875,172	0.5405
Municipal Bonds	234,789,363	-	234,789,363	-	0.9988
Total investments and cash equivalents by fair value level	$ 357,116,068	$ -	$ 347,240,896	$ 9,875,172	1.5393
Investment Trust Funds					
Retirement Security Plan:					
U.S. Government obligations	$ 24,549,309	$ -	$ 24,549,309	$ -	4.2700
Corporate bonds	16,961,074	-	16,961,074	-	3.6200
Equities:					
Common stocks	83,450,383	83,450,383	-	-	NA
Foreign equities	13,417,810	13,417,810	-	-	NA
Master limited partnerships	1,505,132	1,505,132	-	-	NA
Postemployment Benefit:					
Government agency obligations	2,006,320	-	2,006,320	-	5.7380
Corporate bonds	4,058,308	-	4,058,308	-	2.9950
Asset-backed securities	3,838,804	3,838,804	-	-	8.8500
Equities:					
Common stocks	9,570,396	9,570,396	-	-	NA
Mutual funds	60,701,734	60,701,734	-	-	NA
Total Investment Trust Funds	$ 220,059,270	$ 172,484,259	$ 47,575,011	$ -	
TOTAL INVESTMENTS	$ 577,175,338	$ 172,484,259	$ 394,815,907	$ 9,875,172	

**Fair-value basis*

Equity securities are valued using prices in active markets and matrix pricing is used to value based on benchmarks

GASB Statement No. 79, establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by, governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and

continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. Although Federal Agricultural Mortgage Corporation (FAMC) does not have a rating from S&P or Moody's, as a Government Sponsored Enterprise, it is backed by the full faith and credit of the United States Government. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2017.

Custodial Credit Risk. Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2017, five percent (5%) or more of the City's total investments are in: Municipal Bonds (48.92%), Federal Home Loan Mortgage Corporation securities (5.81%), Certificates of Deposits/Fixed Term Products (12.39%), Investment Pools (5.01%), Federal National Mortgage Association (8.42%) and Bank Accounts (10.52%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2016 upon which the original 2017 levy was based, was $33,799,501,674. Subsequent adjustments increased this value to $33,843,171,960.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2017, were 99.8% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2017, was $0.4786 ($0.3556 for general government and $0.1230 for debt service) per $100 of assessed valuation. Thus, the City has a tax margin of approximately $2.0214 per $100 and could have levied up to approximately $684,105,878 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. RECEIVABLES:

Receivables at September 30, 2017 for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Capital Reserve	Street Improvements	Municipal Facilities	Park Improvements	Economic Development Incentive	Water and Sewer	Environmental Waste Services	Municipal Drainage	Nonmajor and Other Funds	Total
Property Taxes	$ 1,812,162	736,773	-	-	-	-	-	-	-	-	-	$ 2,548,935
Sales Taxes	13,895,178	-	-	-	-	-	-	-	-	-	-	13,895,178
Mixed Drink Taxes	540,395	-	-	-	-	-	-	-	-	-	-	540,395
Accounts	1,800,374	-	-	-	-	-	-	20,263,434	1,235,329	821,109	2,019,174	26,139,420
Accrued Interest	196,695	16,081	170,690	188,673	91,175	123,421	188,794	198,822	22,865	54,391	459,568	1,711,175
Assessments	-	-	-	1,366,121	-	-	-	-	-	-	-	1,366,121
Other	-	-	-	-	-	-	-	5,247	1,257,010	-	205,861	1,468,118
Gross Receivables	18,244,804	752,854	170,690	1,554,794	91,175	123,421	188,794	20,467,503	2,515,204	875,500	2,684,603	47,669,342
Less: Allowance for Uncollectibles	(1,106,903)	(506,604)	-	-	-	-	-	(248,793)	(42,125)	(11,614)	-	(1,916,039)
Net total Receivables	$ 17,137,901	246,250	170,690	1,554,794	91,175	123,421	188,794	20,218,710	2,473,079	863,886	2,684,603	$ 45,753,303

The enterprise fund accounts receivable includes unbilled charges for services of $7,699,704 rendered at September 30, 2017.

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2017 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 139,756,355	$ 12,342,698	$ -	$ 152,099,053
Construction in progress	40,748,343	86,256,550	(65,183,398)	61,821,495
Public art	1,698,740	62,779	-	1,761,519
Total capital assets, not being depreciated	182,203,438	98,662,027	(65,183,398)	215,682,067
Capital assets, being depreciated:				
Buildings	226,946,987	7,556,631	-	234,503,618
Improvements other than buildings	205,066,140	12,352,228	-	217,418,368
Equipment	225,597,802	15,268,348	(7,585,581)	233,280,569
Infrastructure	1,160,888,000	44,271,308	-	1,205,159,308
Total capital assets being depreciated	1,818,498,929	79,448,515	(7,585,581)	1,890,361,863
Less accumulated depreciation for:				
Buildings	(125,049,120)	(8,703,428)	-	(133,752,548)
Improvements other than buildings	(95,620,987)	(6,613,517)	-	(102,234,504)
Equipment	(174,682,982)	(16,827,167)	6,613,683	(184,896,466)
Infrastructure	(574,655,416)	(26,033,964)	-	(600,689,380)
Total accumulated depreciation	(970,008,505)	(58,178,076)	6,613,683	(1,021,572,898)
Total capital assets, being depreciated, net	848,490,424	21,270,439	(971,898)	868,788,965
Governmental activities capital assets, net	$1,030,693,862	$ 119,932,466	$ (66,155,296)	$ 1,084,471,032

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 11,078,550
Administrative services	26,114
Police	750,467
Fire	366,733
Libraries	1,185,180
Development	201,044
Public services and operations	89,505
Parks and recreation	8,682,684
Public works	26,397,637
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	9,400,162
Total depreciation expense - governmental activities	$ 58,178,076

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 6,509,950	$ 254,587	$ -	$ 6,764,537
Construction in progress	18,027,809	34,133,496	(31,393,165)	20,768,140
Total capital assets, not being depreciated	24,537,759	34,388,083	(31,393,165)	27,532,677
Capital assets, being depreciated:				
Buildings	16,925,632	187,322	-	17,112,954
Improvements other than buildings	602,473,252	34,024,782	-	636,498,034
Drainage improvements	37,775,933	4,518,798	-	42,294,731
Furniture and fixtures	423,149	-	(16,846)	406,303
Equipment	2,002,643	123,022	(28,952)	2,096,713
Total capital assets, being depreciated	659,600,609	38,853,924	(45,798)	698,408,735
Less accumulated depreciation for:				
Buildings	(15,189,430)	(282,630)	-	(15,472,060)
Improvements other than buildings	(266,302,325)	(15,235,783)	-	(281,538,108)
Drainage improvements	(8,425,523)	(804,381)	-	(9,229,904)
Furniture and fixtures	(245,811)	(1,959)	10,576	(237,194)
Equipment	(1,440,433)	(60,385)	21,323	(1,479,495)
Total accumulated depreciation	(291,603,522)	(16,385,138)	31,899	(307,956,761)
Total capital assets, being depreciated, net	367,997,087	22,468,786	(13,899)	390,451,974
Business-type activities capital assets, net	$ 392,534,846	$ 56,856,869	$ (31,407,064)	$ 417,984,651

Business-type activities:	
Water and sewer	$ 15,142,631
Environmental waste services	29,930
Convention and tourism	131,596
Municipal drainage	820,838
Municipal golf course	185,381
Recreation Revolving	74,762
Total depreciation expense - business-type activities	$ 16,385,138

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF East side activities:				
Capital Assets, not being depreciated:				
Land	$ 1,579,168	$ -	$ -	$ 1,579,168
Total capital assets, not being depreciated	1,579,168	-	-	1,579,168
TIF East side activities capital assets	$ 1,579,168	$ -	$ -	$ 1,579,168

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, $128,622,500 of various purpose general obligation bonds were authorized and $127,612,500 of the 2009 bonds have been issued. In May 2013, $98,313,000 of various purpose general obligation bonds were authorized and $62,052,500 have been issued. In May 2017, $220,620,000 of various purpose general obligation bonds were authorized, none of which have been issued.

5. EMPLOYEE BENEFIT PLANS:

During fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The benefit plans impacted by GASB Statement No. 68 pertain to TMRS and RSP.

A summary of the net pension liability, deferred outflows and inflows and pension expense are below and discussed in further detail in the following footnote.

	TMRS	RSP	Total
Net pension liability	$ 131,250,319	$ 5,952,774	$ 137,203,093
Deferred outflow	56,023,605	15,630,057	71,653,662
Deferred inflow	4,363,062	798,525	5,161,587
Pension expense (current year)	37,163,462	8,026,075	45,189,537

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TMRS and RSP and additions to/deductions from TMRS and RSP's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) where further information can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount, which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Deposit rate	7%
Matching Ratio (City to Employee)	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years of service and age 60 or 20 years of service and any age.

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,114
Inactive employees entitled to but not yet receiving benefits	911
Active employees	2,270
	4,295

Contributions and Funding Policy

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.11% in 2017. The City's contributions to TMRS for fiscal year 2017, were $28,074,675, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50 %	4.55 %
International equity	17.50	6.35
Core fixed income	10.00	1.00
Non-core fixed income	20.00	4.15
Real return	10.00	4.15
Real estate	10.00	4.75
Absolute return	10.00	4.00
Private equity	5.00	7.75
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2015	$ 897,635,803	$ 766,550,193	$ 131,085,610
Changes for the year:			
Service cost	27,113,143	-	27,113,143
Interest (on the total pension liability)	60,407,716	-	60,407,716
Difference between expected and actual experience	950,930	-	950,930
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(32,526,510)	(32,526,510)	-
Contributions - employer	-	26,761,281	(26,761,281)
Contributions - employee	-	10,345,977	(10,345,977)
Net investment income	-	51,816,415	(51,816,415)
Administrative expense	-	(585,071)	585,071
Other	-	(31,522)	31,522
Net changes	55,945,279	55,780,570	164,709
Balance at December 31, 2016	$ 953,581,082	$ 822,330,763	$ 131,250,319

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 267,277,173	$ 131,250,319	$ 19,505,134

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report which may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of $37,163,462.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 777,719	$ (3,929,321)
Difference in assumption changes	-	(433,741)
Difference in projected and actual investment earnings on pension plan investments	34,807,286	-
Employer contributions subsequent to the measurement date	20,438,600	-
	$ 56,023,605	$ (4,363,062)

Deferred outflows of resources of $20,438,600 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2017	$ 11,114,125
2018	11,114,126
2019	9,312,148
2020	(403,331)
2021	84,875
Total	$ 31,221,943

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined-benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

As of the December 31, 2015 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	704
Inactive employees entitled to but not yet receiving benefits	68
Active employees	2,076
	2,848

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as detailed following.

For normal retirement, the monthly benefit payment is calculated as follows:

> .007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

> .007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

> When lump-sum value is less than $5,000, the benefit must be in form of a single lump-sum payment.
>
> When lump-sum value is $5,000 - $25,000, participant has choice of single lump-sum payment or monthly annuity payments.
>
> When lump-sum value exceeds $25,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Additionally, benefits are available for members who become totally and permanently disabled. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%), as determined by the Plan's actuary. This cost of living adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed $4,880,321 for the year ended September 30, 2017.

The contribution amount is an 18-year level percentage of pay funding with a 3.25% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

Net Pension Liability

The City's NPL was measured as of December 31, 2016 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2015. The TPL as of December 31, 2016 was determined by rolling forward the liability from the actuarial valuation date using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	18 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.75%
Salary increases:	7.85% to 3.25% including inflation
Investment rate of return:	7.50%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

Notes	Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
U.S. Government Obligations	2.8%	18%	0.50%
Government Agency Obligations	2.8%	2%	0.06%
Corporate Bonds	1.6%	12%	0.19%
U.S. Large Cap Stocks	5.9%	44%	2.60%
U.S. Mid Cap Stocks	7.2%	10%	0.72%
U.S. Small Cap Stocks	7.2%	3%	0.22%
Foreign Equities	6.8%	8%	0.54%
Alternatives (REITS)	6.3%	3%	0.19%
		Total Expected Arithmetic Real Return:	5.02%
		Inflation Assumption for Actuarial Valuation:	2.75%
		Total Expected Arithmetic Nominal Return:	7.77%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability for the plan years ended December 31, 2015 and 2016. This single discount rate was based on the expected rate of return on pension plan investment of 7.50%. Based on the stated assumptions and the projection of cash flows as of each plan year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the closed period ending September 30, 2035, as a level percentage of payroll. Under this policy, there are 18 years remaining in the amortization period.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2015	$ 122,992,163	$ 120,921,693	$ 2,070,470
Changes for the year:			
Service cost	4,716,387	-	4,716,387
Interest (on the total pension liability)	9,240,119	-	9,240,119
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	-
Benefit payments	(4,297,533)	(4,297,533)	-
Contributions - employer	-	4,133,463	(4,133,463)
Net investment income	-	6,276,782	(6,276,782)
Administrative expense	-	(336,043)	336,043
Other	-	-	-
Net changes	9,658,973	5,776,669	3,882,304
Balance at December 31, 2016	$ 132,651,136	$ 126,698,362	$ 5,952,774

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
$ 24,473,966	$ 5,952,774	$ (9,435,799)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of $8,026,075.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (798,525)
Assumption Changes	5,346,050	-
Difference between projected and actual earnings on pension plan investments	6,558,690	-
Employer contributions subsequent to the measurement date	3,725,317	-
	$ 15,630,057	$ (798,525)

Deferred outflows of resources of $3,725,317 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending 2018. Deferred outflows of resources of $2,914,482, of which $874,237 related to assumption changes and $2,040,245 is the difference between projected and actual earnings on investments, will be recognized in the current fiscal year. Additionally, deferred inflows of $130,583 related to differences between expected and actual experience will be recognized in the current fiscal year. The remaining years reported as deferred outflows of resources will be recognized in pension expense as follows:

2018	$ 2,783,899
2019	2,783,899
2020	2,667,139
2021	1,298,369
2022	743,654
Thereafter	829,255
Total	$ 11,106,215

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes

other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

D. Postemployment Benefits

The City offers its retired employees under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2017 was 464 of which 238 were on the same plan as the active employees and 226 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees report claims. Claims paid for retired employees for 2017 were $3,491,625.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions* (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees and dependents. The single-employer, joint contributor hybrid defined-benefit plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three or more City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Receipt of Contributions

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2017, the City contributed $5,530,675 to the Trust, which represents approximately 100% of the annual required contribution of the employer (ARC). In addition, retirees contributed $1,283,286 to the Trust.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

	2017	2016	2015
Annual required contribution (ARC)	$ 5,530,675	$ 5,530,675	$ 5,050,024
Interest on net OPEB asset	(1,485,689)	(1,485,689)	(1,463,996)
Adjustment to the ARC	1,540,923	1,540,923	1,465,224
Annual OPEB cost	5,585,909	5,585,909	5,051,252
Contributions made	(5,530,675)	(5,530,675)	(5,192,408)
(Increase) Decrease in net OPEB asset	55,234	55,234	(141,156)
Net OPEB asset, beginning of year	(21,168,895)	(21,224,129)	(21,082,973)
Net OPEB asset, end of year	$ (21,113,661)	$ (21,168,895)	$ (21,224,129)

The net OPEB asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/15	7.0%	5,051,252	102.8%	(21,224,129)
9/30/16	7.0%	5,585,909	99.0%	(21,168,895)
9/30/17	7.0%	5,585,909	99.0%	(21,113,661)

Funding Status and Funding Progress

The funding status as of the most recent actuarial valuation date is as follows:

Fiscal Year	Valuation Date	Value of Assets at Fiscal Year End	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/15	10/01/13	60,007,584	73,844,336	81.3%	(13,836,752)	128,505,673	(10.8%)
9/30/16	10/01/15	68,443,273	84,392,988	81.1%	(15,949,715)	141,555,822	(11.3%)
9/30/17	10/01/15	80,515,990	84,392,988	95.4%	(3,876,998)	148,694,595	(2.6%)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

	2017	2016	2015
Actuarial valuation date	10/01/15	10/01/15	10/01/13
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level%	Level%	Level%
Remaining amortization period	21.0 years-Closed	22.2 years-Closed	22.2 years-Closed
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.0%	7.0%	7.0%
Payroll growth	3.0%	3.0%	3.0%
Inflation rate	2.5%	2.5%	2.5%
Medical inflation trend rate	5.9% initial	5.9% initial	5.7% initial

In the October 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 5.9% initially, adjusted each year with an ultimate trend rate of 4.4% reached in 68 years. Both rates include a 2.5% inflation assumption. The initial UAAL was amortized over the maximum permissible period of 30 years as a level percentage of projected payroll on a closed basis, where salaries are assumed to increase at 3% per annum. The effective remaining amortization period at October 1, 2015 was 22.2 years. The value of assets is equal to the market value of assets as of the valuation date.

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2017, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds and certificates of obligation	$ 297,970	$ 69,095	$ (55,970)	$ 311,095	$ 25,935
Tax anticipation notes	4,620	13,450	(1,230)	16,840	2,830
Deferred amounts:					
Premium	29,776	11,026	(5,203)	35,599	5,222
Total bonds and notes payable	332,366	93,571	(62,403)	363,534	33,987
Compensated absences	38,331	16,512	(16,061)	38,782	5,048
Liability for insurance claims	5,898	34,395	(33,430)	6,863	6,863
Net pension liability	118,699	3,620	-	122,319	-
Governmental activities Long-term debt	$ 495,294	$ 148,098	$ (111,894)	$ 531,498	$ 45,898

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 96.7% has been paid by the General Fund, 0.7% by Special Revenue Funds and 2.6% by Internal Service Funds.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 83.7% of the claims and judgments liability. The Enterprise Funds bear approximately 11.5% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 4.6% and 0.2%, respectively.

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Water and Sewer revenue bonds	$ 24,775	$ -	$ (930)	$ 23,845	$ 855
Municipal Drainage revenue bonds	13,760	8,035	(3,840)	17,955	1,840
Deferred amounts:					
Premium	3,956	512	(51)	4,417	84
Total bonds payable	42,491	8,547	(4,821)	46,217	2,779
Compensated absences	3,967	1,999	(1,902)	4,064	461
Net pension liability	14,457	427	-	14,884	-
Business-type activities Long-term debt	$ 60,915	$ 10,973	$ (6,723)	$ 65,165	$ 3,240

Long-term debt at September 30, 2017 includes the following individual issues (not including the unamortized premium of $35,599,046 and the unamortized deferred charge on refunding of $9,873,996 of the General Obligation Bonds, and the unamortized premium of $985,154 and unamortized deferred charges of $361,547 of the Municipal Drainage Revenue Bonds and the unamortized premium of $3,431,451 of the Water and Sewer Revenue Bonds).

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	$ 41,295,000	$ 41,295,000	$ -
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	28,210,000	7,120,000
2010 Refunding and Improvements	2.00 – 4.00	1/15/2010	9/1/2030	28,520,000	20,935,000	7,585,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	18,600,000	2,800,000
2011 Refunding and Improvements	2.00 – 5.00	10/15/2011	9/1/2032	46,400,000	20,250,000	26,150,000
2013 Refunding and Improvements	2.00 – 5.00	2/15/2013	9/1/2033	61,925,000	5,065,000	56,860,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	11,055,000	18,270,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	20,545,000	55,140,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	1,790,000	65,405,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	295,000	40,995,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	-	27,805,000
				$ 476,170,000	$ 168,040,000	$ 308,130,000
Tax Anticipation Notes:						
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	$ 6,355,000	$ 6,355,000	$ -
2015 Tax anticipation notes	2.00 - 3.00	5/1/2015	9/1/2021	5,745,000	2,010,000	3,735,000
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	13,450,000	345,000	13,105,000
				$ 25,550,000	$ 8,710,000	$ 16,840,000
Certificates of Obligation:						
2010 Various purpose	2.00 – 4.00	1/15/2010	9/1/2022	$ 9,660,000	$ 6,695,000	$ 2,965,000
				$ 9,660,000	$ 6,695,000	$ 2,965,000
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	$ 24,775,000	$ 930,000	$ 23,845,000
				$ 24,775,000	$ 930,000	$ 23,845,000
Municipal Drainage Revenue Bonds:						
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	$ 2,000,000	$ 2,000,000	$ -
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	2,085,000	-
2009 Refunding and Improvements	3.00 – 3.50	1/15/2009	5/15/2029	4,790,000	3,880,000	910,000
2010 Refunding and Improvements	2.00 – 4.25	1/15/2010	5/15/2030	6,790,000	2,580,000	4,210,000
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	7,105,000	2,120,000	4,985,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	185,000	7,850,000
				$ $ 30,805,000	$ 12,850,000	$ 17,955,000

The annual requirements to amortize debt outstanding as of September 30, 2017, including interest payments of $126,558 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (noted in thousands).

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Water & Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 28,765	14,641	855	980	1,840	624
2019	28,450	13,519	880	955	1,680	578
2020	24,840	12,201	905	928	1,535	534
2021	25,030	11,011	945	892	1,580	483
2022	23,895	9,803	980	854	1,325	431
2023-2027	102,935	32,741	5,635	3,540	5,505	1,509
2028-2032	63,780	13,815	6,985	2,192	2,845	628
2033-2036	30,240	2,852	6,660	679	1,645	168
Total	$ 327,935	110,583	23,845	11,020	17,955	4,955

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has $4,440,933 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2017.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. There are no future rebates estimated as of September 30, 2017. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In March 2017, the City issued $41,290,000 in General Obligation improvements bonds, with interest rates ranging from 2.0% to 5.0%. In March 2017, the City also issued $13,450,000 in Tax Notes, with interest rates ranging from 4.5% to 5.0%. Then in September 2017, the City issued $27,805,000 in General Obligation refunding bonds, with interest rates ranging from 4.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2010 Tax and Certificates of Obligation and General Obligation Refunding Improvement Bonds, as well as Series 2011 General Obligation Bonds and General Obligation Refunding and Improvement Bonds. Series 2010 Certificates of Obligation totaled $30,055,000 and carried interest rates ranging from 3.3% to 5.0% with maturity dates of 2020 through 2031. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of $2,049,874.

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2017, $805,916 is restricted within the Water and Sewer Fund for debt service requirements.

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2017. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2017.

Restricted assets of the Water and Sewer Fund at September 30, 2017 are as follows:

Cash and cash equivalents	$ 5,016,103
Investments	30,822,468
Accrued interest receivable	130,398
	$ 35,968,969

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2017, $2,552,383 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2017, the reserve required and restricted within the Municipal Drainage Fund is $1,205,839.

In March 2017, the City issued $8,035,000 in Municipal Drainage refunding and improvement bonds, with interest rates ranging from 2.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2008 and 2009 Municipal Drainage revenue bonds totaling $1,880,000 and carried interest rates ranging from 4.0% to 5.0% with maturity dates in 2018 through 2029. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of $134,152.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2017. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2017.

Restricted assets of the Municipal Drainage Fund at September 30, 2017 are as follows:

Cash and cash equivalents	$ 1,591,425
Investments	9,778,837
Accrued interest receivable	41,371
	$ 11,411,633

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2017 is as follows:

	Due From				
Due To	General Fund	Capital Reserve	Nonmajor Governmental Funds	Internal Service	Total
General Fund	$ -	$ -	$ 584,214	$53,853	$ 638,067
Nonmajor Governmental Funds	1,011,664	-	-	-	1,011,664
Internal Service	-	165,000	-	-	165,000
Nonmajor Enterprise Funds	11,753	-	-	-	11,753
Total	$ 1,023,417	$165,000	$ 584,214	$53,853	$1,826,484

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2017, charges in lieu of taxes were $10,272,023.

Transfers between funds during the year were as follows:

	Transfers In				
Transfers Out	General Fund	Capital Reserve	Internal Service	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 24,550,000	$ 826,520	$ 300,000	$ 25,676,520
Internal Service	-	-	-	250,000	250,000
Water and Sewer	8,799,367	1,500,000	-	-	10,299,367
Municipal Drainage	520,362	500,000	-	-	1,020,362
Blended Component Units	7,603	-	2,922	-	10,525
Nonmajor Enterprise Funds	733,571	1,520,000	-	-	2,253,571
Total	$ 10,060,903	$ 28,070,000	$ 829,442	$ 550,000	$ 39,510,345

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

8. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City, and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

- Tax Abatements - The City of Plano offers tax abatement on improvements to real and business personal property as directed under Chapter 312 of the Texas Tax Code. The abatements allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants with underlying goals to further economic development in Plano. Real Property abatements are offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement applies to the assessed value of the improvements made. Business Personal Property abatements are offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement applies to the assessed value of new personal property brought into the taxing jurisdiction. Property taxes abated under this program in fiscal year 2017 are $1,859,130.

  Additionally, the City completed an agreement with a corporation abating sales tax totaling $257,928 for fiscal year 2017. The final payment of the agreement was made in January 2017.

- Economic Development – In 2006, a property tax increase of two-cents per $100 valuation was approved by City Council that is dedicated to economic development. Chapter 380 of the Texas Local Government Code allows municipalities to establish and provide programs to promote state or local economic development and to stimulate business and commercial activity. The City's economic development program offers incentives to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements within the City. For fiscal year 2017, the City paid incentives of $1,480,760.

- Tax Increment Financing – The City has a TIF zone under Chapter 311 of the State of Texas Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are described in section I.B. of the footnotes. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City paid $356,819 in obligations in fiscal year 2017.

9. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2017 was $65,688,523. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2017, this payment was $836,650. Future years' payments to debt service are as follows:

2018	$ 222,525

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities

during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2017 was $30,197,147, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2017 was $8,805,414.

10. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of $55,797,557 in the Capital Projects Funds, $12,041,897 in the Water and Sewer Fund, and $5,119,217 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

11. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund’s claims liability amount in fiscal years 2017 and 2016 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2017				
Property/Liability Loss	$ 3,460,122	$ 7,596,312	$ (6,748,075)	$ 4,308,359
Health Claims	2,437,658	26,798,358	(26,681,509)	2,554,507
Total	$ 5,897,780	$ 34,394,670	$ (33,429,584)	$ 6,862,866
2016				
Property/Liability Loss	$ 3,840,044	$ 2,837,630	$ (3,217,552)	$ 3,460,122
Health Claims	2,099,547	26,725,515	(26,387,404)	2,437,658
Total	$ 5,939,591	$ 29,563,145	$ (29,604,956)	$ 5,897,780

Plano
City of Excellence

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual			
REVENUES:						
Taxes:						
Property taxes	$ 119,687,600	$ 120,070,969	$ 120,048,669	$ (1,083,768)	$ 118,964,901	$ (1,106,068)
Sales taxes	75,418,120	76,478,415	81,530,064	-	81,530,064	5,051,649
Other taxes	2,000,452	2,128,738	2,194,161	-	2,194,161	65,423
Franchise fees	23,920,708	23,049,048	23,778,918	-	23,778,918	729,870
Fines and forfeitures	7,228,045	6,449,450	6,081,129	-	6,081,129	(368,321)
Licenses and permits	13,459,213	11,554,739	11,096,275	-	11,096,275	(458,464)
Intragovernmental	10,272,023	10,272,023	10,272,023	-	10,272,023	-
Intergovernmental	1,012,350	1,064,377	1,041,292	-	1,041,292	(23,085)
Fees for services	14,158,064	14,289,145	14,170,506	-	14,170,506	(118,639)
Investment income	700,000	850,000	659,020	-	659,020	(190,980)
Miscellaneous	1,706,525	1,830,479	1,858,760	-	1,858,760	28,281
Total revenues	269,563,100	268,037,383	272,730,817	(1,083,768)	271,647,049	3,609,666
EXPENDITURES:						
General government	31,383,782	28,011,646	27,946,543	(865,333)	27,081,210	930,436
Administrative services	11,302,181	11,677,453	11,009,172	477,063	11,486,235	191,218
Police	79,422,597	77,676,703	76,650,126	509,597	77,159,723	516,980
Fire	57,799,582	58,566,655	58,553,377	403,724	58,957,101	(390,446)
Libraries	10,454,746	11,058,698	10,799,003	134,281	10,933,284	125,414
Development	33,657,715	34,806,678	32,331,624	1,631,755	33,963,379	843,299
Public services and operations	6,827,322	6,985,995	6,586,559	227,847	6,814,406	171,589
Parks and recreation	26,351,643	27,014,549	24,471,388	1,143,423	25,614,811	1,399,738
Public works	7,076,884	7,118,319	6,488,697	149,866	6,638,563	479,756
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	5,332,983	8,884,935	3,833,561	3,459,759	7,293,320	1,591,615
Total expenditures	270,609,435	272,801,631	259,670,050	7,271,982	266,942,032	5,859,599
Excess (deficiency) of revenues over (under) expenditures	(1,046,335)	(4,764,248)	13,060,767	(8,355,750)	4,705,017	9,469,265
OTHER FINANCING SOURCES (USES):						
Transfers in	10,224,699	10,053,299	10,060,903	-	10,060,903	7,604
Transfers out	(25,300,000)	(25,300,000)	(25,676,520)	-	(25,676,520)	(376,520)
Total other financing uses	(15,075,301)	(15,246,701)	(15,615,617)	-	(15,615,617)	(368,916)
Net change in fund balance	(16,121,636)	(20,010,949)	(2,554,850)	(8,355,750)	(10,910,600)	9,100,349
FUND BALANCE, October 1	54,189,973	54,189,973	54,189,973	-	54,189,973	-
FUND BALANCE, September 30	$ 38,068,337	$ 34,179,024	$ 51,635,123	$ (8,355,750)	$ 43,279,373	$ 9,100,349

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Net Change in Fund Balance
GAAP basis	$ (2,554,850)
Revenues:	
Decrease due to rolled back taxes	(1,083,768)
Expenditures:	
Increase due to encumbrances	(7,271,982)
Budgetary basis	$ (10,910,600)

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL Percent of Covered Payroll	Annual Required Contributions	Actual City Contributions	Actual Retiree Contributions	Percent Contributed By City
2012	10/1/11	42,695,443	59,410,089	(16,714,646)	71.87%	124,090,481	(13.5%)	4,579,847	4,243,468	812,013	92.66%
2013	10/1/11	50,768,285	59,410,089	(8,641,804)	85.45%	124,090,481	(7.0%)	4,579,847	4,911,473	938,320	107.24%
2014	10/1/13	58,010,950	73,844,336	(15,833,386)	78.56%	128,505,673	(12.3%)	5,050,024	5,219,998	1,001,647	103.37%
2015	10/1/13	60,007,584	73,844,336	(13,836,752)	81.26%	128,505,673	(10.8%)	5,050,024	5,192,408	1,042,959	102.82%
2016	10/1/15	68,443,273	84,392,988	(15,949,715)	81.10%	141,555,822	(11.3%)	5,530,675	5,530,675	1,102,654	100.00%
2017	10/1/15	80,515,990	84,392,988	(3,876,998)	95.41%	141,555,822	(2.7%)	5,530,675	5,530,675	1,283,286	100.00%

See accompanying independent auditors' report.

TMRS

Schedule of Changes in Net Pension Liability and Related Ratios (10 years)

Fiscal year ending December 31,	2014	2015	2016
Total pension liability			
Service cost	$ 22,556,087	$ 25,341,004	$ 27,113,143
Interest (on the total pension liability)	55,667,118	59,290,515	60,407,716
Difference between expected and actual experience	(122,591)	(6,117,445)	950,930
Change of assumptions	-	(685,185)	-
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)
Net change in total pension liability	$ 51,699,959	$ 48,769,011	$ 55,945,279
Total pension liability - beginning	797,166,833	848,866,792	897,635,803
Total pension liability - ending (a)	$ 848,866,792	$ 897,635,803	$ 953,581,082
Plan fiduciary net position			
Contributions - employer	$ 28,690,370	$ 25,429,543	$ 26,761,281
Contributions - employee	9,684,277	9,831,426	10,345,977
Net investment income	40,500,200	1,121,428	51,816,415
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)
Administrative expense	(422,815)	(683,011)	(585,071)
Other	(34,762)	(33,734)	(31,522)
Net change in plan fiduciary net position	$ 52,016,615	$ 6,605,774	$ 55,780,570
Plan fiduciary net position - beginning	707,927,804	759,944,419	766,550,193
Plan fiduciary net position - ending (b)	$ 759,944,419	$ 766,550,193	$ 822,330,763
Net pension liability (a) - (b)	$ 88,922,373	$ 131,085,610	$ 131,250,319
Plan fiduciary net position as a percentage of the total pension liability	89.52%	85.40%	86.24%
Covered - employee payroll	$ 138,229,574	$ 140,393,376	$ 147,755,548
Net pension liability as a percentage of covered employee payroll	64.33%	93.37%	88.83%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

See accompanying independent auditors' report.

Schedule of Contributions (10 years)

Fiscal year ending September 30,	2015	2016	2017
Actuarially determined contributions	$ 25,309,703	$ 26,364,866	$ 28,074,675
Contributions in relation to the actuarially determined contribution	28,309,703	26,364,866	28,074,675
Contribution deficiency (excess)	(3,000,000)	-	-
Covered employee payroll	$ 138,720,040	$ 145,557,931	$ 155,007,834
Contributions as a percentage of covered employee payroll	20.41%	18.11%	18.11%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year.

RSP

Schedule of Changes in Net Pension Asset/Liability and Related Ratios (10 years)

Fiscal year ending December 31,	2014	2015	2016
Total pension liability			
Service cost	$ 3,674,544	$ 3,803,153	$ 4,716,387
Interest (on the total pension liability)	7,802,936	8,412,933	9,240,119
Difference between Expected and Actual Experience	-	(1,059,691)	-
Assumption Changes	-	7,094,524	-
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)
Net change in total pension liability	7,958,578	14,428,614	9,658,973
Total pension liability - beginning	100,604,971	108,563,549	122,992,163
Total pension liability - ending (a)	$ 108,563,549	$ 122,992,163	$ 132,651,136
Plan Fiduciary Net Position			
Contributions - employer	$ 4,037,995	$ 3,959,196	$ 4,133,463
Net investment income	8,012,049	2,076,698	6,276,782
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)
Administrative expense	(278,376)	(327,528)	(336,043)
Other	(22,051)	-	-
Net change in plan fiduciary net position	8,230,715	1,886,061	5,776,669
Plan fiduciary net position - beginning	110,804,917	119,035,632	120,921,693
Plan fiduciary net position - ending (b)	$ 119,035,632	$ 120,921,693	$ 126,698,362
Net pension (asset)/liability (a) - (b)	$ (10,472,083)	$ 2,070,470	$ 5,952,774
Plan fiduciary net position as a percentage of the total pension liability	109.65%	98.32%	95.51%
Covered - employee payroll	$ 117,023,684	$ 130,412,851	$ 132,482,794
Net pension asset/liability as a percentage of covered employee payroll	(8.95)%	1.59%	4.49%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

See accompanying independent auditors' report.

Schedule of Contributions (10 years)

Fiscal year ending September 30,	2015	2016	2017
Actuarially determined contributions	$ 3,908,790	$ 4,081,765	$ 4,880,321
Contributions in relation to the actuarially determined contribution	3,908,790	4,081,765	4,880,321
Contribution deficiency (excess)	-	-	-
Covered employee payroll	$ 125,281,726	$ 130,825,766	$ 139,928,684
Contributions as a percentage of covered employee payroll	3.12%	3.12%	3.49%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, 18 years
Remaining amortization period:	18 years - Closed
Asset valuation method:	5-year smoothed market
Inflation:	2.75%
Salary increases:	7.85% to 3.25% including inflation
Investment rate of return:	7.50%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

Plano
City of Excellence

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND – to account for monies received from other governmental agencies.

PLANO TELEVISION (PTV) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from $1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES – to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS – to account for donations to assist the animal shelter.

COMMUNITY PARAMEDIC PROGRAM – to account for donations from local hospitals to increase the overall well-being of patients recently discharged from the hospital enabling paramedics to better assist Plano residents who frequently use the 9-1-1 system.

BLENDED COMPONENT UNITS:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

LEGACY AREA TRANSPORTATION MANAGEMENT ASSOCIATION – organized to solve transportation concerns and funded through membership dues paid by contributing businesses in the area.

CAPITAL PROJECTS FUNDS:

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

DART – to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.

Plano
City of Excellence

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017

	Special Revenue				
	Criminal Investigation	Grant	PTV	Public Safety Communications	Municipal Court
ASSETS					
Cash and cash equivalents	$ 601,515	$ 949,102	$ 228,113	$ 2,346,228	$ 2,422,688
Investments	3,696,130	191,164	1,401,686	14,416,878	14,886,698
Receivables (net of allowance for uncollectible)					
Accounts	209	-	-	23,933	729,250
Accrued interest	15,637	809	5,930	60,992	62,981
Other	-	175,068	-	-	-
Due from other funds	-	-	-	-	584,214
Due from other governments	15,114	996,795	-	100,717	96,868
Prepaid items and other assets	-	225	127,430	-	11,615
Total assets	4,328,605	2,313,163	1,763,159	16,948,748	18,794,314
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	32,375	23,708	9,067	108,629	185,105
Accrued liabilities	-	13,200	15,299	-	12,308
Unearned revenue	-	253,634	-	-	-
Due to other funds	-	738,641	-	-	273,023
Due to other governments	-	-	-	47,758	2,671,374
Seized assets payable	-	-	-	-	-
Total liabilities	32,375	1,029,183	24,366	156,387	3,141,810
Deferred inflows of resources:					
Unavailable revenue	-	1,265,559	-	-	-
Fund Balances:					
Nonspendable:					
Prepaid items and other assets	-	225	127,430	-	11,615
Restricted for:					
Capital projects	-	-	-	-	-
Special revenue	4,296,230	18,196	1,611,363	16,792,361	15,640,889
Blended component unit	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Total fund balances	4,296,230	18,421	1,738,793	16,792,361	15,652,504
Total liabilities, deferred inflows, and fund balance	$ 4,328,605	$ 2,313,163	$ 1,763,159	$ 16,948,748	$ 18,794,314

Special Revenue					Blended Component Units		
Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Community Paramedic Program	Public Improvement District	Plano Improvement Corporation	Transportation Management Association
$ 52,014	$ 9,219	$ 5,158	$ 34,347	$ 14,135	$ 4,730	$ 48,046	$ 10,000
319,610	56,651	31,692	211,053	86,854	29,189	-	-
200	-	-	140	-	-	-	-
1,352	240	135	893	367	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,770	-	-
373,176	66,110	36,985	246,433	101,356	36,689	48,046	10,000
195	-	-	-	-	1,515	850	-
-	-	-	-	2,298	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	66,110	-	-	-	-	-	-
195	66,110	-	-	2,298	1,515	850	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,770	-	-
-	-	-	-	-	-	-	-
372,981	-	36,985	246,433	99,058	-	-	-
-	-	-	-	-	32,404	47,196	10,000
-	-	-	-	-	-	-	-
372,981	-	36,985	246,433	99,058	35,174	47,196	10,000
$ 373,176	$ 66,110	$ 36,985	$ 246,433	$ 101,356	$ 36,689	$ 48,046	$ 10,000

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017
(continued)

	Capital Projects			
	DART	Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 24,948	$ 265,677	$ 759,611	$ 7,775,531
Investments	153,297	1,632,512	4,667,587	41,781,001
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	753,732
Accrued interest	649	6,907	19,747	176,639
Other	-	-	-	175,068
Due from other funds	-	-	-	584,214
Due from other governments	-	-	-	1,209,494
Prepaid items and other assets	-	-	-	142,040
Total assets	178,894	1,905,096	5,446,945	52,597,719
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	-	43,809	-	405,253
Accrued liabilities	-	-	-	43,105
Unearned revenue	-	-	-	253,634
Due to other funds	-	-	-	1,011,664
Due to other governments	-	-	-	2,719,132
Seized assets payable	-	-	-	66,110
Total liabilities	-	43,809	-	4,498,898
Deferred inflows of resources:				
Unavailable revenue	-	-	-	1,265,559
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	-	-	142,040
Restricted for:				
Capital projects	178,894	1,848,274	-	2,027,168
Special revenue	-	-	-	39,114,496
Blended component unit	-	-	-	89,600
Assigned to:				
Capital projects	-	13,013	5,446,945	5,459,958
Total fund balances	178,894	1,861,287	5,446,945	46,833,262
Total liabilities, deferred inflows, and fund balance	$ 178,894	$ 1,905,096	$ 5,446,945	$ 52,597,719

Plano
City of Excellence

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue				
	Criminal Investigation	Grant	PTV	Public Safety Communications	Municipal Court
REVENUES					
Fines and forfeitures	$ 72,925	$ -	$ -	$ -	$ 7,711,398
Contributions	-	-	-	-	-
Intergovernmental	39,923	2,027,389	-	104,317	-
Fees for services	-	-	774,423	1,564,320	920,800
Assessed taxes	-	-	-	-	-
Loan repayments	-	44,326	-	-	-
Investment income	20,716	7,836	9,381	96,708	100,736
Miscellaneous	1,625	-	-	-	-
Total revenues	135,189	2,079,551	783,804	1,765,345	8,732,934
EXPENDITURES					
Police	896,060	654,558	-	440,276	6,532,792
Fire	-	404,918	-	90,177	-
Libraries	-	129,170	-	-	-
Development	-	1,226,744	-	-	-
Public services and operations	-	-	982,346	87,770	-
Capital outlay	82,233	139,003	212,353	58,882	21,827
Total expenditures	978,293	2,554,393	1,194,699	677,105	6,554,619
Excess (deficiency) of revenues over (under) expenditures	(843,104)	(474,842)	(410,895)	1,088,240	2,178,315
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	500,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	500,000	-	-
Net change in fund balances	(843,104)	(474,842)	89,105	1,088,240	2,178,315
Fund balances-beginning	5,139,334	493,263	1,649,688	15,704,121	13,474,189
Fund balances-ending	$ 4,296,230	$ 18,421	$ 1,738,793	$ 16,792,361	$ 15,652,504

Special Revenue				Blended Component Units		
Memorial Library	Libraries	Animal Shelter Donations	Community Paramedic Program	Public Improvement District	Plano Improvement Corporation	Transportation Management Association
$ -	$ -	$ -	$ -	$ -	$ -	$ -
11,803	-	52,847	117,284	-	235,349	10,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	97,091	-	-
-	-	-	-	-	-	-
2,141	214	1,370	436	-	-	-
-	-	665	-	36	-	-
13,944	214	54,882	117,720	97,127	235,349	10,000
-	-	-	-	-	-	-
-	-	-	18,662	-	-	-
4,971	26	-	-	-	-	-
-	-	-	-	177,292	177,628	-
-	-	3,071	-	-	-	-
5,491	-	-	-	-	-	-
10,462	26	3,071	18,662	177,292	177,628	-
3,482	188	51,811	99,058	(80,165)	57,721	10,000
-	-	-	-	50,000	-	-
-	-	-	-	-	(10,525)	-
-	-	-	-	50,000	(10,525)	-
3,482	188	51,811	99,058	(30,165)	47,196	10,000
369,499	36,797	194,622	-	65,339	-	-
$ 372,981	$ 36,985	$ 246,433	$ 99,058	$ 35,174	$ 47,196	$ 10,000

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Capital Projects			
	DART	Public Infrastructure	Park Services	Total Nonmajor Governmental Funds
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ 7,784,323
Contributions	-	-	-	427,283
Intergovernmental	-	-	-	2,171,629
Fees for services	-	-	161,011	3,420,554
Assessed taxes	-	-	-	97,091
Loan repayments	-	-	-	44,326
Investment income	930	9,396	32,161	282,025
Miscellaneous	-	435	-	2,761
Total revenues	930	9,831	193,172	14,229,992
EXPENDITURES				
Police	-	-	-	8,523,686
Fire	-	-	-	513,757
Libraries	-	-	-	134,167
Development	-	-	-	1,581,664
Public services and operations	-	-	-	1,073,187
Capital outlay	108,783	1,784,434	403,097	2,816,103
Total expenditures	108,783	1,784,434	403,097	14,642,564
Excess (deficiency) of revenues over (under) expenditures	(107,853)	(1,774,603)	(209,925)	(412,572)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	550,000
Transfers out	-	-	-	(10,525)
Total other financing sources	-	-	-	539,475
Net change in fund balances	(107,853)	(1,774,603)	(209,925)	126,903
Fund balances-beginning	286,747	3,635,890	5,656,870	46,706,359
Fund balances-ending	$ 178,894	$ 1,861,287	$ 5,446,945	$ 46,833,262

Plano
City of Excellence

Plano
City of Excellence

CITY OF PLANO, TEXAS
BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 41,240,189	$ 41,504,596	$ 41,588,745	$ 84,149
Investment income	200,000	200,000	284,622	84,622
Miscellaneous	151,804	151,804	151,804	-
Total revenues	41,591,993	41,856,400	42,025,171	168,771
EXPENDITURES:				
Principal retirement	26,505,000	27,145,000	27,145,000	-
Interest and fiscal charges	15,009,444	14,357,750	14,652,723	(294,973)
Total expenditures	41,514,444	41,502,750	41,797,723	(294,973)
Excess (deficiency) of revenues over (under) expenditures	77,549	353,650	227,448	(126,202)
OTHER FINANCING SOURCES (USES):				
Issuance of debt-refunding	-	-	27,805,000	27,805,000
Escrow payment-refunding	-	-	(32,589,261)	(32,589,261)
Premium from sale of bonds	-	-	5,071,986	5,071,986
Total other financing sources	-	-	287,725	287,725
Net change in fund balance	77,549	353,650	515,173	161,523
FUND BALANCE, October 1	3,925,760	3,925,760	3,925,760	-
FUND BALANCE, September 30	$ 4,003,309	$ 4,279,410	$ 4,440,933	$ 161,523

Plano
City of Excellence

NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Plano Event Center and Visit Plano operations.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
ASSETS					
Cash and cash equivalents	$ 626,030	$ 6,339	$ 84,248	$ 277,940	$ 994,557
Investments	3,818,703	38,953	517,676	1,704,172	6,079,504
Receivables:					
Accounts	939,689	21,776	16,920	61,875	1,040,260
Accrued interest	16,156	165	2,190	7,210	25,721
Other	28,815	-	-	1,570	30,385
Prepaid expenses and other assets	451,225	-	-	16,229	467,454
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,429,013	40,278	-	29,144	1,498,435
Furniture and fixtures	185,185	14,915	-	69,874	269,974
Less accumulated depreciation	(13,115,830)	(3,559,783)	-	(179,924)	(16,855,537)
Total capital assets (net of accumulated depreciation)	3,003,089	765,441	36,999	1,401,074	5,206,603
Total assets	8,883,707	832,674	658,033	3,470,070	13,844,484
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	909,364	197,511	-	182,259	1,289,134
	909,364	197,511	-	182,259	1,289,134
LIABILITIES					
Current liabilities:					
Accounts payable	87,638	10,937	-	8,882	107,457
Accrued liabilities	211,597	14,964	-	30,186	256,747
Unearned revenue	221,506	-	-	495,830	717,336
Due to other funds	11,753	-	-	-	11,753
Customer deposits	-	-	-	264,472	264,472
Liability for compensated absences	17,571	-	-	-	17,571
Total current liabilities	550,065	25,901	-	799,370	1,375,336
Noncurrent liabilities:					
Net pension liability	1,775,963	379,547	-	344,198	2,499,708
Liability for compensated absences	418,434	109,144	-	121,213	648,791
Total noncurrent liabilities	2,194,397	488,691	-	465,411	3,148,499
Total liabilities	2,744,462	514,592	-	1,264,781	4,523,835
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	63,400	14,040	-	13,064	90,504
	63,400	14,040	-	13,064	90,504
NET POSITION					
Net investment in capital assets	3,003,089	765,441	36,999	1,401,074	5,206,603
Unrestricted	3,982,120	(263,888)	621,034	973,410	5,312,676
Total net position	$ 6,985,209	$ 501,553	$ 658,033	$ 2,374,484	$ 10,519,279

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for sales and services:					
Service charges	$ 1,800,020	$ 1,020,019	$ 68,678	$ 3,806,659	$ 6,695,376
Miscellaneous charges	56,672	-	-	81,631	138,303
Total operating revenues	1,856,692	1,020,019	68,678	3,888,290	6,833,679
Operating expenses:					
Personnel services	3,021,187	644,921	-	1,174,310	4,840,418
Pension expense (net)	150,798	33,032	-	31,215	215,045
Contractual services	5,134,823	258,992	17,706	2,046,124	7,457,645
Supplies	599,942	94,537	-	212,900	907,379
Depreciation	131,596	185,381	-	74,762	391,739
Miscellaneous	188,886	1,773	(300)	29,716	220,075
Total operating expenses	9,227,232	1,218,636	17,406	3,569,027	14,032,301
Operating income (loss)	(7,370,540)	(198,617)	51,272	319,263	(7,198,622)
Nonoperating revenues (expenses):					
Investment income	23,999	97	3,495	11,946	39,537
Loss on property disposition	(6,268)	-	-	-	(6,268)
Hotel/motel tax	8,685,384	-	-	-	8,685,384
Miscellaneous	4,710	-	-	879	5,589
Total nonoperating revenue	8,707,825	97	3,495	12,825	8,724,242
Income (loss) before transfers	1,337,285	(198,520)	54,767	332,088	1,525,620
Transfers out	(2,015,539)	(51,285)	-	(186,747)	(2,253,571)
Change in net position	(678,254)	(249,805)	54,767	145,341	(727,951)
Total net position-beginning	7,663,463	751,358	603,266	2,229,143	11,247,230
Total net position-ending	$ 6,985,209	$ 501,553	$ 658,033	$ 2,374,484	$ 10,519,279

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 1,837,604	$ 1,013,516	$ 68,678	$ 3,845,779	$ 6,765,577
Cash payments to suppliers for goods and services	(5,924,996)	(358,440)	(18,836)	(2,286,433)	(8,588,705)
Cash paid to or on behalf of employees for services	(2,961,179)	(628,588)	-	(1,182,850)	(4,772,617)
Net cash provided (used) by operating activities	(7,048,571)	26,488	49,842	376,496	(6,595,745)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	8,685,384	-	-	-	8,685,384
Transfers to other funds	(2,015,539)	(51,285)	-	(186,747)	(2,253,571)
Net cash provided (used) by noncapital financing activities	6,669,845	(51,285)	-	(186,747)	6,431,813
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(115,392)	-	-	14,274	(101,118)
Proceeds from insurance damages	4,710	-	-	879	5,589
Net cash provided (used) in capital and related financing activities	(110,682)	-	-	15,153	(95,529)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(3,818,703)	(38,953)	(517,676)	(1,704,172)	(6,079,504)
Proceeds from sale and maturities of investment securities	3,856,816	54,977	431,605	1,388,494	5,731,892
Interest on investments	30,685	257	3,861	12,959	47,762
Net cash provided (used) in investing activities	68,798	16,281	(82,210)	(302,719)	(299,850)
Net decrease in cash and cash equivalents	(420,610)	(8,516)	(32,368)	(97,817)	(559,311)
Cash and cash equivalents, beginning of year	1,046,640	14,855	116,616	375,757	1,553,868
Cash and cash equivalents, end of year	$ 626,030	$ 6,339	$ 84,248	$ 277,940	$ 994,557
Noncash disclosures:					
Loss on property disposition	$ (6,268)	$ -	$ -	$ -	$ (6,268)
Decrease in fair value of investments	$ (23,847)	$ (252)	$ (3,181)	$ (10,455)	$ (37,735)

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (7,370,540)	$ (198,617)	$ 51,272	$ 319,263	$ (7,198,622)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	131,596	185,381	-	74,762	391,739
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(113,753)	(6,502)	-	(62,551)	(182,806)
Other receivable	(10,900)	-	-	(227)	(11,127)
Prepaid expenses and other assets	(21,851)	-	-	(438)	(22,289)
Pensions	150,798	33,032	-	31,215	215,045
Increase (decrease) in:					
Accounts payable	31,406	(3,139)	-	2,972	31,239
Accrued liabilities	40,929	1,296	-	1,118	43,343
Liability for compensated absences	19,079	15,037	-	(9,658)	24,458
Customer deposits	-	-	-	71,314	71,314
Due to other funds	11,753	-	(1,430)	-	10,323
Unearned revenue	82,912	-	-	(51,274)	31,638
Total adjustments	321,969	225,105	(1,430)	57,233	602,877
Net cash provided (used) by operating activities	$ (7,048,571)	$ 26,488	$ 49,842	$ 376,496	$ (6,595,745)

Plano
City of Excellence

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department for another.

The City has five Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2017

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	$ 3,780,776	$ 15,099	$ 2,039,262
Investments	23,231,751	92,782	12,530,660
Receivables:			
Accounts	203,527	21,655	-
Accrued interest	98,285	-	53,013
Other	-	-	408
Due from other funds	53,853	-	-
Inventories	36,058	1,021,589	-
Prepaid items	-	-	69,377
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Equipment	18,700,919	-	22,327,610
Furniture and fixtures	250,986	9,413	55,625
Rolling equipment	54,702,570	-	-
Less accumulated depreciation	(48,642,511)	(9,413)	(12,921,957)
Total capital assets (net of accumulated depreciation)	30,328,394	-	10,182,664
Total assets	57,732,644	1,151,125	24,875,384
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	850,991	182,825	2,340,080
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	1,026,011	139,402	649,607
Accrued liabilities	60,283	13,845	166,980
Due to other funds	-	165,000	-
Compensated absences	123,094	486	102,701
Liability for insurance claims	-	-	-
Total current liabilities	1,209,388	318,733	919,288
NONCURRENT LIABILITIES:			
Net pension liability	1,608,270	344,452	4,422,779
Compensated absences	-	46,227	299,661
Total liabilities	2,817,658	709,412	5,641,728
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	60,896	13,218	169,721
	60,896	13,218	169,721
NET POSITION			
Net investment in capital assets	30,328,394	-	10,182,664
Unrestricted	25,376,687	611,320	11,221,351
Total net position	$ 55,705,081	$ 611,320	$ 21,404,015

Risk Management	Health Claims	Total
$ 713,457	$ 3,360,642	$ 9,909,236
4,383,980	20,650,151	60,889,324
-	-	225,182
18,547	87,363	257,208
-	-	408
-	-	53,853
-	-	1,057,647
3,443	378,828	451,648
-	-	62,522
-	-	5,975,294
427,686	-	41,456,215
811	-	316,835
-	-	54,702,570
(428,497)	-	(62,002,378)
-	-	40,511,058
5,119,427	24,476,984	113,355,564
199,761	-	3,573,657
77,638	26,866	1,919,524
12,546	-	253,654
-	-	165,000
457	-	226,738
4,308,359	2,554,507	6,862,866
4,399,000	2,581,373	9,427,782
381,973	-	6,757,474
22,809	-	368,697
4,803,782	2,581,373	16,553,953
14,366	-	258,201
14,366	-	258,201
-	-	40,511,058
501,040	21,895,611	59,606,009
$ 501,040	$ 21,895,611	$ 100,117,067

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Equipment Maintenance	Municipal Warehouse	Technology Services
REVENUES:			
Charges for services	$ 18,466,454	$ 4,526,192	$ 18,366,044
Subrogation receipts	-	-	-
Miscellaneous	4,870	5,837	-
Total operating revenues	18,471,324	4,532,029	18,366,044
EXPENSES:			
Personnel services	2,539,674	623,555	7,141,148
Pension expense (net)	139,859	29,677	409,293
Contractual services	1,627,805	45,055	7,900,369
Supplies	3,139,838	3,791,090	1,294,964
Claims expense	-	-	-
Depreciation	8,465,574	-	934,588
Miscellaneous	30,511	32,536	17,174
Total operating expenses	15,943,261	4,521,913	17,697,536
Operating income (loss)	2,528,063	10,116	668,508
NONOPERATING REVENUES (EXPENSES):			
Investment income	152,412	-	79,352
Gain (loss) on capital asset disposal	732,433	55,164	(588)
Intergovernmental revenues	-	-	163,852
Miscellaneous	62,377	-	13,699
Total nonoperating revenues	947,222	55,164	256,315
Income (loss) before transfers	3,475,285	65,280	924,823
Transfers in	326,520	-	502,922
Transfers out	-	-	(250,000)
Change in net position	3,801,805	65,280	1,177,745
Total net position-beginning	51,903,276	546,040	20,226,270
Total net position-ending	$ 55,705,081	$ 611,320	$ 21,404,015

Risk Management	Health Claims	Total
$ 4,663,230	$ 30,839,804	$ 76,861,724
1,587,431	-	1,587,431
10,721	-	21,428
6,261,382	30,839,804	78,470,583
560,355	-	10,864,732
34,223	-	613,052
1,238,219	3,570,214	14,381,662
53,847	-	8,279,739
7,596,312	26,798,358	34,394,670
-	-	9,400,162
13,777	44	94,042
9,496,733	30,368,616	78,028,059
(3,235,351)	471,188	442,524
35,545	141,178	408,487
-	-	787,009
-	-	163,852
-	-	76,076
35,545	141,178	1,435,424
(3,199,806)	612,366	1,877,948
-	-	829,442
-	-	(250,000)
(3,199,806)	612,366	2,457,390
3,700,846	21,283,245	97,659,677
$ 501,040	$ 21,895,611	$ 100,117,067

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 18,267,797	$ 4,689,144	$ 18,364,907
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(5,535,948)	(4,103,953)	(8,893,325)
Cash paid to or on behalf of employees for services	(2,551,892)	(623,654)	(7,147,042)
Net cash provided (used) by operating activities	10,179,957	(38,463)	2,324,540
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayments (to) from other funds	(53,853)	-	-
Transfers to other funds	-	-	(250,000)
Transfers from other funds	326,520	-	502,922
Intergovernmental receipts	-	-	163,852
Net cash provided by noncapital financing activities	272,667	-	416,774
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(10,625,527)	-	(1,039,419)
Proceeds on sale of equipment	1,391,933	55,164	-
Proceeds from insurance damages	62,377	-	13,699
Net cash provided (used) by capital and related financing activities	(9,171,217)	55,164	(1,025,720)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(23,231,751)	(92,782)	(12,530,660)
Proceeds from sales and maturities of investment securities	20,121,262	71,412	10,052,397
Interest on investments	173,294	423	85,874
Net cash provided (used) by investing activities	(2,937,195)	(20,947)	(2,392,389)
Net increase (decrease) in cash and cash equivalents	(1,655,788)	(4,246)	(676,795)
Cash and cash equivalents, beginning of year	5,436,564	19,345	2,716,057
Cash and cash equivalents, end of year	$ 3,780,776	$ 15,099	$ 2,039,262
Noncash disclosure:			
Loss on property disposition	$ (659,500)	$ -	$ (588)
Decrease in fair value of investments	(143,194)	(567)	(76,784)
Transfer in (out) of capital assets	315,612	(73)	(162)

Risk Management	Health Claims	Total
$ 4,664,145	$ 30,839,804	$ 76,825,797
1,587,431	-	1,587,431
(8,088,476)	(30,310,414)	(56,932,116)
(594,433)	-	(10,917,021)
(2,431,333)	529,390	10,564,091
-	-	(53,853)
-	-	(250,000)
-	-	829,442
-	-	163,852
-	-	689,441
-	-	(11,664,946)
-	-	1,447,097
-	-	76,076
-	-	(10,141,773)
(4,383,980)	(20,650,151)	(60,889,324)
5,886,450	18,358,561	54,490,082
51,860	162,542	473,993
1,554,330	(2,129,048)	(5,925,249)
(877,003)	(1,599,658)	(4,813,490)
1,590,460	4,960,300	14,722,726
$ 713,457	$ 3,360,642	$ 9,909,236
$ -	$ -	(660,088)
(28,200)	(27,551)	(276,296)
-	-	315,377

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Equipment Maintenance	Municipal Warehouse	Technology Services
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 2,528,063	$ 10,116	$ 668,508
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	8,465,574	-	934,588
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	(7,885)	-
Other receivable	(203,527)	-	(408)
Prepaid items	510	-	32,277
Inventories	(232)	37,334	-
Pensions	139,859	29,677	409,293
Increase (decrease) in:			
Accounts payable	(738,072)	(272,606)	286,905
Accrued liabilities	7,972	1,818	1,289
Due to other funds	-	165,000	(729)
Compensated absences	(20,190)	(1,917)	(7,183)
Liability for insurance claims	-	-	-
Total adjustments	7,651,894	(48,579)	1,656,032
Net cash provided (used) by operating activities	$ 10,179,957	$ (38,463)	$ 2,324,540

Risk Management	Health Claims	Total
$ (3,235,351)	$ 471,188	$ 442,524
-	-	9,400,162
-	-	(7,885)
-	-	(203,935)
2,005	(53,022)	(18,230)
-	-	37,102
34,223	-	613,052
(36,563)	(5,625)	(765,961)
(11,630)	-	(551)
(9,806)	-	154,465
(22,448)	-	(51,738)
848,237	116,849	965,086
804,018	58,202	10,121,567
$ (2,431,333)	$ 529,390	$ 10,564,091

Plano
City of Excellence

FIDUCIARY FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS:

RETIREMENT SECURITY PLAN PENSION TRUST – to account for assets held for full-time employees as a substitute retirement plan to Social Security.

POSTEMPLOYMENT BENEFITS 115 TRUST – to account for assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

AGENCY FUNDS:

DEVELOPERS' ESCROW FUND – to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND – to account for assets under $100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2017

	Pension Trust Fund	Postemployment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 2,224,802	$ 347,027	$ 2,571,829
Investments:			
Other U.S. government obligations	24,545,430	2,006,320	26,551,750
Corporate bonds	16,961,074	4,058,308	21,019,382
Asset-backed securities	-	3,838,804	3,838,804
Common stocks	94,732,493	9,570,396	104,302,889
Mutual funds	3,640,831	60,701,734	64,342,565
Accrued interest	323,732	120,377	444,109
Receivable from pending trades	-	129,991	129,991
Total assets	142,428,362	80,772,957	223,201,319
LIABILITIES			
Accrued liabilities	-	256,967	256,967
Total liabilities	-	256,967	256,967
NET POSITION			
Held in trust for pension benefits	142,428,362	-	142,428,362
Held in trust for other postemployment benefits	-	80,515,990	80,515,990
Total net position	$ 142,428,362	$ 80,515,990	$ 222,944,352

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Pension Trust Fund	Postemployment Benefits Trust Fund	Total
ADDITIONS			
Contributions			
From employers	$ 4,880,321	$ 5,530,675	$ 10,410,996
From retirees	-	1,283,286	1,283,286
Total contributions	4,880,321	6,813,961	11,694,282
Investment return:			
Net increase (decrease) in fair value of investments	14,686,722	7,656,593	22,343,315
Interest	996,574	429,468	1,426,042
Dividends	1,675,441	1,159,720	2,835,161
Miscellaneous	17,300	1,407	18,707
Total investment return	17,376,037	9,247,188	26,623,225
Total additions, net	22,256,358	16,061,149	38,317,507
DEDUCTIONS			
Benefits	4,691,967	3,491,625	8,183,592
Administrative expenses	308,772	494,854	803,626
Miscellaneous expenses	22,120	1,953	24,073
Total deductions	5,022,859	3,988,432	9,011,291
Net increase	17,233,499	12,072,717	29,306,216
Net position held in trusts - beginning of year	125,194,863	68,443,273	193,638,136
Net position held in trusts - end of year	$ 142,428,362	$ 80,515,990	$ 222,944,352

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF SEPTEMBER 30, 2017

	Agency Funds		
	Developers' Escrow	Unclaimed Property	Total Agency Funds
ASSETS			
Cash and cash equivalents	$ 423,622	$ 25,913	$ 449,535
Investment pool	2,603,034	159,228	2,762,262
Accrued interest	11,013	674	11,687
Total Assets	3,037,669	185,815	3,223,484
LIABILITIES			
Developers' escrow liability	3,037,669	-	3,037,669
Unclaimed property payable	-	185,815	185,815
Total Liabilities	$ 3,037,669	$ 185,815	$ 3,223,484

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	$ 574,560	$ 2,636	$ 153,574	$ 423,622
Investments	2,126,503	476,531	-	2,603,034
Accrued interest receivable	12,594	-	1,581	11,013
Total Assets	$ 2,713,657	$ 479,167	$ 155,155	$ 3,037,669
LIABILITIES:				
Developers' escrow liability	$ 2,713,657	$ 444,750	$ 120,738	$ 3,037,669
	$ 2,713,657	$ 444,750	$ 120,738	$ 3,037,669
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	$ 25,127	$ 786	$ -	$ 25,913
Investments	92,999	66,229	-	159,228
Accrued interest receivable	551	123	-	674
Total Assets	$ 118,677	$ 67,138	$ -	$ 185,815
LIABILITIES:				
Unclaimed property payable	$ 118,677	$ 67,138	$ -	$ 185,815
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	$ 599,687	$ 3,422	$ 153,574	$ 449,535
Investments	2,219,502	542,760	-	2,762,262
Accrued interest receivable	13,145	123	1,581	11,687
Total Assets	$ 2,832,334	$ 546,305	$ 155,155	$ 3,223,484
LIABILITIES:				
Developers' escrow liability	$ 2,713,657	$ 444,750	$ 120,738	$ 3,037,669
Unclaimed property payable	118,677	67,138	-	185,815
Total Liabilities	$ 2,832,334	$ 511,888	$ 120,738	$ 3,223,484

Plano
City of Excellence

COMPONENT UNIT

TIF EAST SIDE – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2017

	TIF East Side
ASSETS	
Current:	
Cash and cash equivalents	$ 1,885,331
Investments	11,633,814
Noncurrent:	
Capital assets, net	1,579,168
Total assets	15,098,313
LIABILITIES	
Current:	
Accounts payable	10,480
Total liabilities	10,480
NET POSITION	
Net investment in capital assets	1,579,168
Restricted	13,508,665
Total net position	$ 15,087,833

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	TIF East Side
EXPENSES	
Contractual services	$ 356,819
Total operating expenses	356,819
Operating loss	(356,819)
NONOPERATING REVENUES	
Property taxes	1,821,395
Note repayment	50,000
Total nonoperating revenues	1,871,395
NET INCOME	1,514,576
Change in net position	1,514,576
Total net position-beginning	13,573,257
Total net position-ending	$ 15,087,833

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	TIF East Side
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	$ (346,739)
Net cash used by operating activities	(346,739)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	1,821,395
Note repayment	50,000
Net cash provided by noncapital financing activities	1,871,395
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(11,633,814)
Proceeds from sales and maturities of investment securities	9,454,908
Net cash used by investing activities	(2,178,906)
Net decrease in cash and cash equivalents	(654,250)
Cash and cash equivalents, beginning of year	2,539,581
Cash and cash equivalents, end of year	$ 1,885,331

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	TIF East Side
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	$ (356,819)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities-	
Increase in:	
Accounts payable	10,080
Total adjustments	10,080
Net cash used by operating activities	$ (346,739)

Plano
City of Excellence

STATISTICAL SECTION
(unaudited)

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	117-122
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	123-126
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	127-132
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	133-134
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	135-139

CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	Fiscal Year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Governmental activities:										
Net investment in capital assets	$ 790,687,802	$ 749,829,714	$ 716,648,113	$ 695,615,093	$ 672,747,769	$ 663,420,473	$ 665,695,098	$ 663,597,387	$ 728,662,561	$ 700,704,326
Restricted	59,809,891	68,249,570	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626	5,473,218
Unrestricted	163,907,113	167,247,133	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094	78,416,391
Total governmental activities net position	1,014,404,806	985,326,417	943,871,822	942,763,667	918,901,436	899,674,180	874,642,496	830,132,065	804,457,281	784,593,935
Business-type activities:										
Net investment in capital assets	377,622,087	374,462,834	370,220,021	360,960,813	362,997,446	363,340,513	362,757,006	367,024,467	383,531,217	376,593,433
Restricted	6,106,990	3,298,965	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737	6,588,596
Unrestricted	81,186,158	88,495,857	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288	25,092,659
Total business-type activities net position	464,915,235	466,257,656	460,926,461	452,567,428	453,911,822	444,621,293	446,509,114	427,249,174	413,063,242	408,274,688
Primary government:										
Net investment in capital assets	1,168,309,889	1,124,292,548	1,086,868,134	1,056,575,906	1,035,745,215	1,026,760,986	1,028,452,104	1,030,621,854	1,112,193,778	1,077,297,759
Restricted	65,916,881	71,548,535	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363	12,061,814
Unrestricted	245,093,271	255,742,990	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382	103,509,050
Total primary government net position	$ 1,479,320,041	$ 1,451,584,073	$ 1,404,798,283	$ 1,395,331,095	$ 1,372,813,258	$ 1,344,295,473	$ 1,321,151,610	$ 1,257,381,239	$ 1,217,520,523	$ 1,192,868,623

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Expenses										
Governmental activities:										
General government	$ 27,352,742	$ 27,017,457	$ 27,636,869	$ 22,837,719	$ 22,902,283	$ 23,945,434	$ 17,854,055	$ 18,468,819	$ 14,360,212	$ 9,052,498
Administrative services	11,729,785	10,635,244	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111	8,423,416
Police	88,408,381	80,837,474	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173	68,433,179
Fire	63,104,587	56,724,482	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959	44,201,284
Libraries	12,381,069	12,107,913	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945	11,765,263
Development	38,018,301	36,859,600	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365	20,447,190
Public services and operations	8,350,096	7,638,382	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771	5,402,333
Parks and recreation	36,069,542	32,462,901	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,170,315	26,134,622
Public works	33,751,984	32,287,926	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006	27,944,393
Technology services	18,193,246	18,524,241	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840	13,686,048
Other	-	-	-	-	-	-	-	1,963,496	5,480,962	7,401,221
Interest on Long-Term Debt	10,897,222	10,309,486	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383	14,089,411	14,640,081	14,625,019
Unallocated depreciation	-	-	-	-	-	-	-	111,959	96,934	102,199
Total governmental activities expenses	348,256,955	325,405,106	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674	257,618,665
Business-type activities:										
Water and sewer	144,379,544	133,481,605	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987	83,264,179
Environmental waste services	26,767,335	25,354,273	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795	21,863,854
Municipal drainage	4,977,428	4,933,219	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011	3,530,079
Convention and tourism	8,661,450	7,402,651	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739	6,393,145	7,331,173	7,311,505
Municipal golf course	1,220,462	1,198,346	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436	1,000,257
Property management	-	-	-	-	-	-	-	59,678	32,053	39,291
Recreation revolving	3,574,034	3,295,974	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594	3,096,166
Downtown center development	17,406	14,273	11,726	28,931	9,893	9,327	55,683	47,918	47,917	46,176
Total business-type activities expenses	189,597,659	175,680,341	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966	120,151,507
Total primary government expenses	$ 537,854,614	$ 501,085,447	$ 460,603,596	$ 452,185,008	$ 432,872,624	$ 418,491,062	$ 400,554,551	$ 395,277,121	$ 390,285,640	$ 377,770,172
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 10,088,711	$ 6,691,140	$ 6,551,280	$ 6,152,383	$ 5,913,645	$ 5,561,420	$ 4,739,503	$ 1,394,826	$ 994,964	$ 1,634,183
Administrative services	5,855	3,928	21,428	5,296	11,515	8,200	-	-	-	-
Police	18,608,424	17,981,734	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518	12,939,924
Fire	5,941,980	5,798,677	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026	3,882,667	4,161,383	3,801,412
Libraries	251,187	245,954	339,198	432,864	467,501	449,743	473,956	500,514	545,755	453,572
Development	9,335,464	12,573,047	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176	4,686,571
Public services and operations	1,550,664	1,534,663	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357	1,150,449
Parks and recreation	4,858,934	5,049,382	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244	3,685,465
Public works	34,783	18,829	39,452	48,710	112,267	175,256	194,348	247,408	40,592	104,028
Technology services	3,673,689	3,862,930	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354	2,590,036
Operating grants and contributions	12,735,876	13,846,703	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737	4,773,881
Capital grants and contributions	12,042,196	16,642,121	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098	9,654,400
Total governmental activities program revenues	$ 79,127,763	$ 84,249,108	$ 87,105,289	$ 70,368,602	$ 65,276,360	$ 56,332,467	$ 56,815,653	$ 61,332,386	$ 50,744,178	$ 45,473,921

CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2
(continued)

	Fiscal Year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Business-type activities:										
Charges for services:										
Water and sewer	$ 143,957,017	$ 140,654,894	$ 132,067,317	$ 114,554,767	$ 121,115,371	$ 114,415,670	$ 128,109,639	$ 116,516,442	$ 108,076,125	$ 100,049,904
Environmental waste services	17,819,166	16,288,331	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758	14,772,782
Municipal drainage	7,541,895	7,318,823	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986	5,161,087	5,050,406	4,995,106
Convention and tourism	1,861,402	2,420,541	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129	2,693,882
Municipal golf course	1,020,019	887,717	954,645	965,465	994,125	933,533	65,906	600,919	792,753	846,096
Property management	-	-	-	-	-	-	9,967	7,594	42,309	72,567
Recreation revolving	3,889,169	3,733,821	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754	3,080,725
Downtown center development	68,678	73,206	147,789	93,896	67,928	67,828	68,128	68,128	68,127	68,127
Operating grants and contributions	-	1,041	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804	60,609
Capital grants and contributions	7,778,571	4,451,393	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295	7,354,169
Total business-type activities program revenues	183,935,917	175,829,767	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791	147,478,751	140,364,460	133,993,967
Total primary government program revenues	$ 263,063,680	$ 260,078,875	$ 255,066,721	$ 218,494,785	$ 220,343,726	$ 201,887,289	$ 214,782,444	$ 208,811,137	$ 191,108,638	$ 179,467,888
Net (expense) revenue										
Governmental activities	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)	(212,144,744)
Business-type activities	(5,661,742)	149,426	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494	13,842,460
Total primary government net (expense)	$ (274,790,934)	$ (241,006,572)	$ (205,536,875)	$ (233,690,223)	$ (212,528,898)	$ (216,603,773)	$ (185,772,107)	$ (186,465,984)	$ (199,177,002)	$ (198,302,284)
General revenues and transfers										
Governmental activities:										
Property taxes	$ 173,005,300	$ 163,619,692	$ 150,960,855	$ 140,180,751	$ 133,922,409	$ 130,761,336	$ 128,274,660	$ 129,741,125	$ 127,265,332	$ 123,054,998
Sales taxes	81,795,481	76,948,348	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538	62,122,119
Mixed drink taxes	2,048,388	1,930,054	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051	1,003,932
Other taxes	213,020	145,579	131,642	164,195	398,357	167,773	206,389	77,968	118,580	360,115
Franchise fees	24,553,341	24,665,352	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388	22,361,082	23,995,388	23,022,217
Investment income	3,018,751	3,180,298	3,096,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949	10,683,028
Transfers	13,573,300	12,121,270	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004	13,217,146
Total governmental activities	298,207,581	282,610,593	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471	226,423,624	226,380,842	233,463,555
Business-type activities:										
Hotel/Motel tax	8,685,384	8,263,231	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431	4,098,810	3,951,890	4,909,061
Franchise fees	8,753,718	8,499,964	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973	6,721,464
Investment income	453,519	539,844	544,194	449,967	196,590	639,758	795,789	531,546	604,201	1,411,359
Transfers	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)	(13,217,146)
Total business-type activities	4,319,321	5,181,769	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)	(96,924)	(2,551,940)	(175,262)
Total primary government	$ 302,526,902	$ 287,792,362	$ 273,462,534	$ 256,208,060	$ 241,046,683	$ 239,747,636	$ 249,542,478	$ 226,326,700	$ 223,828,902	$ 233,288,293
Change in net position										
Governmental activities	$ 29,078,389	$ 41,454,595	$ 53,260,676	$ 23,862,231	$ 19,227,256	$ 25,031,684	$ 44,510,431	$ 25,674,784	$ 19,863,346	$ 21,318,811
Business-type activities	(1,342,421)	5,331,195	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940	14,185,932	4,788,554	13,667,198
Total primary government	$ 27,735,968	$ 46,785,790	$ 67,925,659	$ 22,517,837	$ 28,517,785	$ 23,143,863	$ 63,770,371	$ 39,860,716	$ 24,651,900	$ 34,986,009

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	Fiscal year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
General Fund										
Nonspendable	$ 426,935	$ 455,431	$ 506,576	$ 793,454	$ 152,616	$ 189,920	$ 176,588	$ 2,321,839	$ 6,976,517	$ 6,678,087
Assigned	8,648,847	7,482,574	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302	2,683,725
Unassigned	42,559,341	46,251,968	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311	35,379,734
Total general fund	$ 51,635,123	$ 54,189,973	$ 51,604,016	$ 51,324,818	$ 56,310,424	$ 52,966,763	$ 44,833,725	$ 41,400,577	$ 42,744,130	$ 44,741,546
All Other Governmental Funds										
Nonspendable	$ 203,063	$ 350,071	$ 200,110	$ 64,510	$ 22,830	$ 905	$ 4,405	$ -	$ 2,680	$ 6,195
Restricted	118,218,632	110,520,152	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605	74,471,250
Committed	52,076,874	45,745,697	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-	-
Assigned	82,418,884	79,391,186	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709	76,924,976
Unassigned	-	-	(441,228)	-	-	-	-	(374,071)	-	-
Total all other governmental funds	$ 252,917,453	$ 236,007,106	$ 220,733,307	$ 208,321,452	$ 191,203,276	$ 178,088,005	$ 155,843,975	$ 133,117,895	$ 146,637,994	$ 151,402,421

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4

	Fiscal year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Revenues:										
Taxes:										
Property taxes	$ 161,637,414	$ 152,476,517	$ 139,784,392	$ 130,387,583	$ 124,453,986	$ 121,496,666	$ 117,691,853	$ 121,312,517	$ 119,568,563	$ 114,494,640
Other taxes	83,724,225	78,390,614	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341	63,266,376
Franchise fees	23,778,918	23,795,403	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443	22,628,847
Fines and forfeitures	13,865,452	13,228,933	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616	9,167,406
Contributions	8,275,401	16,065,928	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878	3,845,932
Rollback taxes	1,083,768	2,080,324	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577	1,134,487
Licenses and permits	11,096,275	13,864,396	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291	5,235,695
Intragovernmental	10,272,023	9,845,021	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588	7,276,212
Intergovernmental	3,294,983	8,600,986	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445	3,432,643
Fees for services	17,591,060	17,476,570	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677	13,488,581
Assessments	-	-	4,555	-	13,512	56,776	157,805	88,375	10,094	25,465
Assessed taxes	97,091	96,327	-	-	-	-	-	-	-	-
Loan repayments	44,326	52,553	-	-	-	-	-	-	-	-
Investment income	2,610,264	2,708,822	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091	8,420,799
Insurance receipts	2,524,669	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	2,456,619	-
Miscellaneous	2,941,582	2,088,223	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,398,742	-	1,909,910
Total revenues	$ 342,837,451	$ 340,770,617	$ 327,959,472	$ 300,218,803	$ 282,594,982	$ 275,320,227	$ 269,283,330	$ 263,396,334	$ 257,093,223	$ 254,326,993
Expenditures:										
Current:										
General government	$ 27,946,543	$ 28,719,550	$ 28,745,531	$ 23,153,000	$ 22,100,556	$ 23,684,196	$ 21,355,266	$ 392,129	$ 613,652	$ 878,675
Administrative services	11,009,172	10,137,693	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334	8,208,019
Police	85,173,812	77,750,758	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283	61,831,212
Fire	59,067,134	53,993,731	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441	41,361,437
Libraries	10,933,170	10,910,966	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568	10,467,040
Development	35,587,723	35,279,126	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444	19,635,957
Public services and operations	7,659,746	7,323,817	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144	5,377,281
Parks and recreation	24,471,388	23,043,731	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,716	21,407,832	20,681,818
Environmental waste services	-	877	51,856	-	664,613	875,569	1,284,956	88,202	300,339	53,576
Public works	6,488,697	6,328,770	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246	5,820,027
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-
Other	-	-	-	-	-	-	-	27,809,863	27,609,726	27,266,420
Capital outlay	90,609,900	79,143,347	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	64,827,368	60,362,017	54,679,984
Interest and fiscal charges	204,212	267,002	273,480	100,335	175,051	105,385	-	-	-	-
Debt service:										
Principal retirement	27,145,000	28,540,000	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000	23,510,000
Interest and fiscal charges	14,652,723	12,982,753	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063	14,598,200
Total expenditures	$ 401,949,220	$ 375,422,121	$ 366,118,219	$ 318,942,351	$ 304,991,589	$ 284,552,123	$ 294,592,756	$ 312,253,966	$ 308,119,089	$ 294,369,646
Deficiency of revenues over expenditures	$ (59,111,769)	$ (34,651,504)	$ (38,158,747)	$ (18,723,548)	$ (22,396,607)	$ (9,231,896)	$ (25,309,426)	$ (48,857,632)	$ (51,025,866)	$ (40,042,653)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4
(continued)

	Fiscal year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Other financing sources:										
Proceeds from sale of bonds	$ 54,740,000	$ 33,610,000	$ 30,130,000	$ 20,680,000	$ 22,175,000	$ 25,860,000	$ 21,400,000	$ 22,615,000	$ 29,315,000	$ 58,370,000
Bond proceeds-refunding	27,805,000	33,585,000	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000	-
Premium on sale of bonds	10,517,669	12,243,821	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350	925,415
Discount on sale of bonds	-	-	-	-	-	(253,786)	-	-	-	-
Escrow payment-refunding	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)	-
Capital receipt of land	-	650,000	-	-	-	-	-	-	-	-
Capital disposal of land	-	(650,000)	-	-	-	-	-	-	-	-
Sale of land	-	830,000	456,000	-	144,020	-	-	426,129	-	-
Disbursements from component unit	-	-	-	-	-	-	1,793,418	-	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	-	-	16,052,538	-	-	-
Operating transfers in	38,680,903	36,271,298	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773	24,276,733
Operating transfers out	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)	(10,809,587)
Total other financing sources	$ 73,467,266	$ 52,511,260	$ 50,849,800	$ 30,856,118	$ 38,855,539	$ 39,608,964	$ 51,964,988	$ 33,993,980	$ 44,264,023	$ 72,762,561
Net change in fund balances	$ 14,355,497	$ 17,859,756	$ 12,691,053	$ 12,132,570	$ 16,458,932	$ 30,377,068	$ 26,655,562	$ (14,863,652)	$ (6,761,843)	$ 32,719,908
Debt service as a percentage of noncapital expenditures	13.4%	14.0%	14.6%	15.0%	17.1%	17.2%	17.2%	17.1%	16.4%	15.9%

CITY OF PLANO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Table 5

Fiscal Year	Estimated Market Value: Real Property Residential	Real Property Non-Residential	Non-Real Property Personal	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2008	18,954,823,683	7,727,575,850	2,462,948,501	4,633,847,568	24,511,500,466	0.4735
2009	20,436,560,005	8,494,498,706	2,836,955,143	5,982,698,546	25,785,315,308	0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886
2017	28,337,673,807	11,154,737,907	3,336,271,261	8,476,155,936	34,352,527,039	0.4786

Source: City of Plano Budget Department and Collin County Central Appraisal District based on original tax roll.
Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES/ASSESSMENT RATIOS -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Table 6

	City of Plano				Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Collin College	
Fiscal Year (1)	General Fund	Debt Service Fund	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio
2008	0.3210	0.1525	0.4735	100	1.2680	100	1.47	100	0.245	100	1.350	100	1.3800	100	0.2360	100	0.0800	100
2009	0.3268	0.1467	0.4735	100	1.3030	100	1.47	100	0.243	100	1.370	100	1.3800	100	0.2360	100	0.0860	100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.243	100	1.390	100	1.4087	100	0.2500	100	0.0860	100
2011	0.3135	0.1751	0.4886	100	1.3534	100	1.54	100	0.240	100	1.390	100	1.4267	100	0.2739	100	0.0863	100
2012	0.3149	0.1737	0.4886	100	1.3734	100	1.67	100	0.240	100	1.420	100	1.4260	100	0.2774	100	0.0863	100
2013	0.3192	0.1694	0.4886	100	1.3734	100	1.67	100	0.240	100	1.460	100	1.4530	100	0.2829	100	0.0836	100
2014	0.3296	0.1590	0.4886	100	1.4530	100	1.67	100	0.235	100	1.460	100	1.4770	100	0.2849	100	0.0836	100
2015	0.3438	0.1448	0.4886	100	1.4390	100	1.64	100	0.225	100	1.460	100	1.4770	100	0.2849	100	0.0820	100
2016	0.3576	0.1310	0.4886	100	1.4390	100	1.61	100	0.225	100	1.460	100	1.4767	100	0.2620	100	0.0820	100
2017	0.3556	0.1230	0.4786	100	1.4390	100	1.59	100	0.192	100	1.460	100	1.4200	100	0.2484	100	0.0812	100

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

NOTE: Property tax rates are levied per $100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)

Table 7

Name of Taxpayer	2017 Taxable Assessed Valuation	2017 Rank	2017 Percentage of Total Taxable Assessed Valuation	2008 Taxable Assessed Valuation	2008 Rank	2008 Percentage of Total Taxable Assessed Valuation
Toyota Motor North America Inc	$ 358,743,658	1	1.06%			
Silos Harvesting Partners LP	245,000,000	2	0.72%			
Legacy West Investors LP	221,702,635	3	0.66%			
Oncor Electric Delivery Company	199,598,544	4	0.59%	$ 176,693,012	1	0.72%
HP Enterprise Services LLC	178,540,755	5	0.53%			
394 Pacific DCD LLC	168,000,000	6	0.50%			
KBSIII Legacy Town Center LLC	154,458,567	7	0.46%			
HSP Of Texas Inc	146,666,124	8	0.43%			
UDR Legacy Village LLC	142,527,900	9	0.42%			
JP Morgan Chase Bank NA	140,967,122	10	0.42%			
J C Penney Co Inc #9900-2				171,255,476	2	0.70%
Electronic Data Systems Corporation				140,996,529	3	0.57%
Willow Bend Shopping Center LP				127,374,433	4	0.52%
United Dominion Realty LP				113,285,714	5	0.46%
Shops at Legacy (Inland) LP				104,152,381	6	0.42%
Countrywide Home Loans Inc				99,518,999	7	0.40%
Alcatel USA Sourcing LP				98,563,283	8	0.40%
Legacy Campus LP				95,000,000	9	0.39%
Tollway/121 Partners LTD				84,596,532	10	0.34%
	$ 1,956,205,305		5.79%	$ 1,211,436,359		4.92%

Source: Collin County Appraisal District

CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Table 8

Fiscal Year		Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2008		116,214,292	113,215,333	2,127,954	115,343,287	99.25	1,279,307	116,622,594	100.35
2009		121,434,014	118,459,942	2,205,306	120,665,248	99.37	1,108,621	121,773,869	100.28
2010		123,231,506	120,537,005	1,976,550	122,513,555	99.42	775,512	123,289,067	100.05
2011	*	119,311,553	117,076,366	1,740,962	118,817,328	99.59	615,487	119,432,815	100.10
2012		121,179,947	120,112,398	682,096	120,794,494	99.68	1,384,268	122,178,762	100.82
2013		124,539,135	123,491,655	765,800	124,257,455	99.77	962,331	125,219,786	100.55
2014		130,892,241	129,629,986	765,689	130,395,675	99.62	757,597	131,153,272	100.20
2015		139,575,321	137,952,646	866,051	138,818,697	99.46	1,831,746	140,650,443	100.77
2016		151,033,590	149,652,774	1,032,587	150,685,361	99.77	2,823,743	153,509,104	101.64
2017		161,973,421	160,230,498	1,467,896	161,698,394	99.83	1,406,953	163,105,347	100.70

* 2011 Total Levy has been reduced by $29,552 refund for tax abatement.

CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Table 9

	Governmental Activities	Business-Type Activities				
Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2008	344,466,792	5,750,000	23,482,263	373,699,055	3.44	1,429
2009	349,122,792	3,895,000	23,834,830	376,852,622	3.49	1,426
2010	342,254,729	1,955,000	26,060,884	370,270,613	3.77	1,397
2011	334,358,571	695,000	24,200,916	359,254,487	3.53	1,370
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318
2014	319,362,266	-	18,016,010	337,378,276	3.06	1,249
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240
2016	332,366,608	28,210,692	14,279,894	374,857,194	3.19	1,355
2017	363,534,046	27,276,451	18,940,154	409,750,651	3.39	1,468

Note: See Table 15 for personal income and population data.

CITY OF PLANO, TEXAS **Table 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2008	344,466,792	3,250,126	341,216,666	1.26	1,179
2009	349,122,792	5,491,973	343,630,819	1.20	1,162
2010	342,254,729	1,175,155	341,079,574	1.17	1,126
2011	334,358,571	2,035,641	332,322,930	1.23	1,133
2012	332,298,643	2,224,744	330,073,899	1.20	1,134
2013	330,423,813	1,573,430	328,850,383	1.16	1,112
2014	319,362,268	3,340,771	316,021,497	1.08	1,075
2015	322,852,271	3,701,797	319,150,474	1.01	1,050
2016	332,366,608	3,925,760	328,440,847	0.94	1,055
2017	363,534,046	4,440,930	359,093,116	0.91	1,104

Note: See Table 5 for property value data.
Note: See Table 15 for population data.

CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2017
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	$ 401,720,871	100.00%	$ 401,720,871
Total direct debt	**401,720,871**		**401,720,871**
Plano Independent School District	1,031,725,000	69.81%	720,247,223
Collin County	352,380,000	33.38%	117,624,444
Denton County	645,305,000	1.58%	10,195,819
Frisco Independent School District	2,147,871,338	12.99%	279,008,487
Allen Independent School District	651,299,087	0.65%	4,233,444
Lewisville Independent School District	1,622,209,675	3.91%	63,428,398
Collin College	14,590,000	33.38%	4,870,142
Total overlapping debt	**6,465,380,100**		**1,199,607,957**
Total direct and overlapping bonded debt	**$ 6,867,100,971**		**$ 1,601,328,828**
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.74%
Per capita overlapping bonded debt			$ 5,737

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

CITY OF PLANO, TEXAS **Table 12**
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2017
(unaudited)

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states:

> The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

> ...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2016 is $0.4786 per $100.00 with assessed valuation at 100% of market value.

CITY OF PLANO, TEXAS **Table 13**
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			
				Principal	Interest	Total	Coverage
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	107,388,857	77,222,182	30,166,675	994,468	73,915	1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,031,127	31,194,866	930,000	985,050	1,915,050	1629%
2017	143,783,223	118,878,037	24,905,186	855,000	980,400	1,835,400	1357%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension expense.
For the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

CITY OF PLANO, TEXAS **Table 14**
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Average Annual Debt Service Requirement			
				Principal	Interest	Total	Coverage
2008	5,490,072	2,248,948	2.44	1,158,500	403,715	1,562,215	2.07
2009	5,250,108	2,444,101	2.15	1,250,250	436,656	1,686,906	1.66
2010	5,331,169	2,475,433	N/A	1,282,500	421,898	1,704,398	1.68
2011	5,432,677	2,411,295	N/A	1,253,421	387,407	1,640,828	1.84
2012	5,334,131	2,615,205	N/A	1,213,889	356,451	1,570,340	1.73
2013	6,327,655	2,524,631	N/A	1,165,588	325,751	1,491,339	2.55
2014	7,475,077	2,852,291	N/A	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,350,309	N/A	1,053,667	230,741	1,284,408	3.04
2016	7,392,218	3,445,947	N/A	982,857	211,124	1,193,981	3.31
2017	7,507,296	3,297,572	N/A	945,000	260,839	1,205,839	3.49

Note: Operating expense excludes depreciation and net pension expense.

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.
Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

CITY OF PLANO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5
2016	276,700	11,765,837	42,522	54,573	3.7
2017	279,100	12,083,914	43,296	54,173	3.2

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO
(unaudited)

Table 16

2017			2008		
Employer	**Employees**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Percentage of Total City Employment**
Capital One Finance	5,500	3.43	Countrywide Home Loans	10,762	7.27
Bank of America Home Loans	3,400	2.13	J.C. Penney, Inc.	5,200	3.51
HP Enterprise Services	3,250	2.03	Electronic Data Systems	5,000	3.38
Ericsson	3,200	2.00	Perot Systems Corporation	2,732	1.85
Toyota Motor North America, Inc.	2,900	1.82	Alcatel	2,280	1.54
Frito-Lay	2,500	1.56	CHC Acquisition Corporation	2,000	1.35
J. C. Penney Company, Inc.	2,420	1.51	Frito-Lay	1,920	1.30
Dell Services	2,250	1.41	Dr. Pepper/SevenUp Corporation	1,700	1.15
Texas Health Presbyterian Hospital Plano	1,680	1.05	Medical Center of Plano	1,491	1.01
Medical Center of Plano	1,600	1.00	Presbyterian Hospital of Plano	1,480	1.00
Total	28,700	17.94	Total	34,565	23.36

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

CITY OF PLANO, TEXAS **Table 17**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

(unaudited)

	Fiscal year									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
General government	92.5	90.0	93.0	91.0	96.5	95.0	93.5	54.5	64.5	63.5
Administrative services	92.5	91.5	87.5	83.5	81.5	79.5	79.0	79.5	79.5	86.0
Police	669.5	628.0	611.0	625.5	616.0	606.0	604.5	620.0	651.5	661.0
Fire	397.0	362.5	365.0	359.0	349.0	335.0	334.0	335.0	334.0	335.5
Libraries	152.0	155.0	149.0	148.5	148.5	149.0	159.0	157.0	156.0	172.0
Development	184.5	180.0	167.0	155.5	147.5	148.0	148.0	149.5	159.5	164.0
Public services and operations	75.0	73.0	71.5	69.0	66.5	66.5	67.5	60.5	66.0	64.0
Parks and recreation	415.5	360.5	358.0	347.5	386.0	357.0	342.0	387.5	378.0	376.5
Public works	69.0	66.0	61.0	61.0	61.0	55.0	56.5	64.0	61.5	65.5
Technology services	54.0	58.0	55.0	57.0	50.0	46.0	47.0	49.0	50.0	50.0
Water and sewer	141.5	145.5	147.0	150.0	147.0	146.0	144.5	152.0	153.0	146.5
Environmental waste services	100.0	94.5	95.5	97.5	94.0	95.5	95.5	95.0	93.0	90.5
Municipal drainage	26.0	28.0	28.0	25.0	22.0	22.0	20.0	22.0	19.0	18.0
Civic center	41.0	39.5	40.0	42.0	40.0	40.5	43.0	48.5	50.0	47.5
Municipal golf course	8.0	8.0	8.0	9.5	8.0	8.5	7.0	6.0	7.0	8.0
Recreation revolving	143.5	149.5	126.5	138.5	139.0	160.5	159.0	160.5	169.0	148.0
Total	2,661.5	2,529.5	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5	2,496.5

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18

Function/Program	Fiscal Year 2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Administrative Services										
Legal										
Ordinance/resolution review/preparation	141	226	194	226	237	240	258	266	552	658
Human Resources										
Full-time civilian employees	1,434	1,410	1,378	1,363	1,330	1,308	1,320	1,349	1,387	1,422
Accounting										
Payment requests processed	65,025	66,170	64,268	64,765	66,076	63,183	65,723	70,850	81,677	86,869
Police										
Employees (uniformed)	394	361	346	352	345	340	335	340	341	344
Citations	53,111	63,559	65,269	68,258	72,507	75,009	60,378	68,598	92,133	87,801
Public Safety Communications										
911 Calls*	161,310	159,795	166,304	164,299	160,196	150,508	150,614	157,277	234,876	228,214
911 Dispatches*	204,016	215,733	218,773	226,704	235,572	239,491	232,981	240,175	229,669	222,252
Fire										
Employees (uniformed)	377	343	347	341	333	316	315	313	323	317
Fire runs	26,570	25,005	24,618	22,615	21,801	20,342	21,040	19,893	20,235	19,665
EMS runs	15,760	15,689	15,462	14,521	14,155	13,293	12,902	12,782	13,693	12,297
Libraries										
Volumes in collection	795,654	770,701	786,982	803,074	811,941	807,343	798,347	757,837	793,073	804,410
Registered borrowers	188,787	181,131	200,369	203,478	205,512	206,550	204,234	200,386	196,093	192,578
Development										
Building Inspections										
Inspections (all construction)	71,069	65,230	59,384	56,014	62,479	58,217	53,890	50,790	52,805	80,600
New construction permits issued	5,204	5,446	1,070	810	818	854	1,885	1,010	825	1,718
Engineering										
New streets/alleys paved (miles)	5	4	4	5	5	2	4	3	2	9
New water lines installed (miles)	24	18	24	16	21	14	10	23	28	36
Public Services and Operations										
Environmental Health										
Inspections	7,417	6,482	5,929	6,087	5,898	5,478	4,489	4,554	3,931	3,961
Animal Control										
Animals impounded	6,891	6,947	7,687	8,302	9,152	9,388	7,591	9,616	8,728	8,307

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18
(continued)

Function/Program	Fiscal Year 2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Parks and Recreation										
Recreation attendance	2,295,266	2,561,438	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182	2,341,119
Recreation center members	54,482	51,254	49,857	52,664	50,476	35,222	21,690	22,246	22,083	38,341
Public Works										
Streets										
Streets, alleys, and sidewalks										
Excavate/Replace (Sq Ft)	2,461,590	2,109,483	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475	984,657
Water and Sewer										
Water customers	84,081	82,388	80,371	79,139	78,534	78,144	77,720	79,243	77,082	77,440
Average daily water consumption (gal)	48,909,020	56,517,827	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000	61,657,000
Maximum storage capacity (gal)	85,500,000	85,500,000	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	58,319	60,287	58,703	57,154	57,191	57,810	62,078	59,530	60,670	62,982
Bulky waste pickups (tons)	6,470	6,535	5,095	4,925	4,600	4,194	5,544	5,142	5,264	5,650
Recyclables collected (tons)	17,489	18,406	18,627	18,623	18,816	18,882	19,216	19,435	19,632	20,867
Yard trimmings collected (tons)	19,540	21,199	20,840	24,299	21,108	19,614	21,139	21,704	21,465	26,836
Municipal Drainage										
Environmental assessment requests	132	171	207	133	92	74	70	65	54	82
Storm sewer inlets maintained	9,870	9,268	8,462	8,983	9,527	9,673	10,483	10,483	10,483	4,139
Civic Center										
Event days booked and serviced	150	246	275	247	249	693	883	834	1,145	1,200
Municipal Golf Course										
Rounds of golf played	52,746	48,982	45,223	50,447	53,324	50,759	4,902	41,592	54,109	55,004
Recreation Revolving										
Courses completed	6,512	6,971	7,137	6,966	7,172	6,810	6,924	7,046	6,822	6,896

Source: City Departments
Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.
Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

CITY OF PLANO, TEXAS **Table 19**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	Fiscal Year									
Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	147	130	127	124	128	126	121	143	166	189
Number of motorcycle units	5	5	5	6	6	7	7	6	6	6
Fire										
Number of stations	13	13	13	13	13	13	13	12	11	11
Number of fire engines/trucks	22	22	22	22	22	22	22	22	22	22
Number of EMS trucks	11	11	10	10	10	10	10	10	7	7
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,044	1,039	1,035	1,031	1,026	1,021	1,019	1,016	1,014	1,012
Alleys- paved (miles)	519	519	519	519	519	519	519	518	517	517
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	8	15
Parks and Recreation										
Parks* (acres)	4,322	4,268	4,244	4,241	4,002	3,995	3,994	3,936	3,858	3,858
Athletic fields	161	171	179	179	179	179	179	179	179	179
Playgrounds	71	69	70	69	69	69	71	71	71	71
Recreation centers	5	5	4	4	4	4	4	4	5	5
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	8	7	8	9	9	9	9	9	9
Public Works										
Traffic signals	227	225	221	220	219	219	216	215	212	211

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 19
(continued)

Function/Program	Fiscal Year 2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Water and Sewer										
Water mains (miles)	1,427	1,414	1,405	1,391	1,384	1,373	1,367	1,362	1,351	1,335
Sanitary sewers (miles)	1,037	1,032	1,029	1,024	1,019	1,014	1,009	1,007	1,001	999
Fire hydrants	15,452	15,256	15,111	14,918	14,817	14,677	14,604	14,516	14,369	14,109
Environmental Waste Services										
Collection trucks	51	50	50	50	50	50	48	45	45	45
Municipal Drainage										
Storm sewers (miles)	694	688	682	677	673	668	665	662	656	646
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments
Notes: N/A - Data not available.
*Includes Golf Course.
Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.